

JoinMyBox ApS

Roskildevej 16
4030 Tune
CVR no. 36 08 29 09

Annual report for 2019

Adopted at the annual general
meeting on 29 May 2020

Jørgen Bødker
chairman

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of JoinMyBox ApS for the financial year 1 January - 31 December 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 company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 29 May 2020

Executive board

Jørgen Bødker

Board of Directors

Nils Christian Foss
chairman

Jens Frederik Olsen

Jørgen Bødker

Per Henrik Askestad

Independent auditor's report

To the shareholders of JoinMyBox ApS

Opinion

We have audited the financial statements of JoinMyBox ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. 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 company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 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.

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 the 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.

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.

Independent auditor's report

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 Statements Act. We did not identify any material misstatement of management's review.

Roskilde, 29 May 2020

Azets Audit
Statsautoriseret revisionspartnerselskab
CVR no. 36 07 49 81

Anders Salomonsen
State Authorized Public Accountant
MNE no. mne40143

Company details

The company

JoinMyBox ApS
Roskildevej 16
4030 Tune

CVR no.: 36 08 29 09

Reporting period: 1 January - 31 December 2019

Incorporated: 5. September 2014

Financial year: 5th financial year

Domicile: Roskilde

Board of Directors

Nils Christian Foss, chairman
Jens Frederik Olsen
Jørgen Bødker
Per Henrik Askestad

Executive board

Jørgen Bødker

Auditors

Azets Audit
Statsautoriseret revisionspartnerselskab
Vindingevej 10
4000 Roskilde

Management's review

Business review

The company has continued the development of a cloud based IT platform for managing the entire workflow for large-scale portrait photography. Advanced automated image processing capabilities has been developed utilizing artificially intelligence and machine learning based on data from processing more than 2 million portraits and 200.000 persons.

The volume of portraits processed 2016 - 2019, demonstrates the robustness of the platform while cost per portrait has been reduced with more than 80% and the processing time has been reduced from days to seconds.

With the performance of the platform an important milestone was reached. The photographic service activity in the company, that was established to generate the necessary volume for the development activity, was terminated and sold.

The main development activity has been to develop a front-end web-app. The web-app enables photography of high-quality portraits with mobile phone cameras to be processed on the platform. The development was done in close cooperation with customers, who successfully has been testing and are using the platform. The project was financially supported by Innovationsfondens InnoBooster program.

Going forward the company will initiate and accelerate commercial activities to market the platform as a SaaS platform for employee portraits, and we are expecting the platform will generate significant SaaS revenue from Business to Business customers from 2020.

Financial review

The company's income statement for the year ended 31 December 2019 shows a loss of DKK 262,339, and the balance sheet at 31 December 2019 shows negative equity of DKK 3,087,473.

Management is aware that the company has lost equity.

Management expects equity to be re-established through its own future earnings in the coming years.

Financing

The company expect the revenue from the SaaS platform services to generate necessary cash to support the company's obligations in the coming year.

Significant events occurring after the end of the financial year

The company has initiated a process to raise additional capital to support and scale up the commercial activities to accelerate the SaaS revenue.

Expected development of the company, including specific prerequisites and uncertainties

Uncertainties associated with the expected development of the company

Significant uncertainty exists when recognizing tax receivable regarding 2018 amounting to t.kr. 260.

The uncertainty relates to tax litigation case which board of directors expects to win.

Accounting policies

The annual report of JoinMyBox ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2019 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Government grants

Government grants comprise grants for environment-friendly generation and for funding of research and development projects. Government grants are recognised when there is reasonable assurance that they will be received.

Grants for electricity generation are recognised as revenue in step with the recognition of the related electricity revenue.

Grants for research and development costs which are recognised directly in the income statement are recognised as other operating income in step with the costs to which the grants relate being incurred.

Grants for production assets and development projects are recognised in the balance sheet as deferred income and transferred to other operating income in the income statement in step with depreciation and amortisation of the assets to which the grants relate.

Allocated CO2 rights are recognised as rights within intangible assets.

Accounting policies

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue and work in progress and other operating income less raw materials and consumables and other external expenses.

Revenue

Income is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and property, plant and equipment.

Other external costs

Other external costs include expenses related to distribution, sales, advertising, administration, premises, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Intangible assets

Development projects, patents and licences

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

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

Special items

special items consist of grants from the Danish Innovation Agency and sales of the company's fixed assets

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Income statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Gross profit		948,479	144,410
Staff costs	2	<u>-365,029</u>	<u>-796,451</u>
Profit/loss before amortisation/depreciation and impairment losses		583,450	-652,041
Depreciation, amortisation and impairment losses of intangible assets, plant and equipment		<u>-602,056</u>	<u>-3,392,919</u>
Profit/loss before net financials		-18,606	-4,044,960
Financial income		0	3,157
Financial expenses	3	<u>-243,733</u>	<u>-230,793</u>
Profit/loss before tax		-262,339	-4,272,596
Tax on profit/loss for the year	4	<u>0</u>	<u>260,411</u>
Profit/loss for the year		<u>-262,339</u>	<u>-4,012,185</u>
Retained earnings		<u>-262,339</u>	<u>-4,012,185</u>
		<u>-262,339</u>	<u>-4,012,185</u>

Balance sheet 31 December

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Assets			
Completed development projects		598,824	1,050,000
Intangible assets		598,824	1,050,000
Deposits		0	36,000
Fixed asset investments		0	36,000
Total non-current assets		598,824	1,086,000
Trade receivables		0	11,971
Other receivables		13,523	0
Corporation tax		260,411	260,411
Receivables		273,934	272,382
Cash at bank and in hand		267,453	416,483
Total current assets		541,387	688,865
Total assets		1,140,211	1,774,865

Balance sheet 31 December

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Equity and liabilities			
Share capital		172,021	172,021
Reserve for development expenditure		467,082	780,000
Retained earnings		<u>-3,726,576</u>	<u>-3,777,155</u>
Equity		<u>-3,087,473</u>	<u>-2,825,134</u>
Payables to associates		<u>4,091,215</u>	<u>3,859,637</u>
Total non-current liabilities		<u>4,091,215</u>	<u>3,859,637</u>
Trade payables		50,280	258,916
Other payables		<u>86,189</u>	<u>481,446</u>
Total current liabilities		<u>136,469</u>	<u>740,362</u>
Total liabilities		<u>4,227,684</u>	<u>4,599,999</u>
Total equity and liabilities		<u>1,140,211</u>	<u>1,774,865</u>
Contingent liabilities	5		

Statement of changes in equity

	Share capital	Reserve for development expenditure	Retained earnings	Total
Equity at 1 January 2019	172,021	780,000	-3,777,155	-2,825,134
Transfers, reserves	0	-312,918	312,918	0
Net profit/loss for the year	0	0	-262,339	-262,339
Equity at 31 December 2019	172,021	467,082	-3,726,576	-3,087,473

Notes

	2019 DKK	2018 DKK
1 Special items		
Grants from the innovation Fund	350,064	0
Sale of fixed assets	977,200	0
	1,327,264	0
2 Staff costs		
Wages and salaries	547,034	1,148,347
Other social security costs	3,124	7,668
Other staff costs	4,783	118,602
	554,941	1,274,617
Transfer to development projects	-189,912	-478,166
	365,029	796,451
Average number of employees	1	3
3 Financial expenses		
Interest paid to associates	232,032	218,895
Other financial costs	10,132	11,898
Exchange loss	1,569	0
	243,733	230,793
4 Tax on profit/loss for the year		
Current tax for the year	0	-260,411
	0	-260,411
5 Contingent liabilities		
The company has a tax litigation case that the board of directors expects to win. The potential obligation for the company amounts to t.DKK 922.		

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Nils Christian Foss

Bestyrelsesformand

På vegne af: Joinmybox ApS

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Jørgen Bødker

Adm. direktør

På vegne af: Joinmybox ApS

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Jørgen Bødker

Bestyrelsesmedlem

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Serienummer: PID:9208-2002-2-834953533263

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Jens Frederik Olsen

Direktionsmedlem

På vegne af: Joinmybox ApS

Serienummer: PID:9208-2002-2-374613704938

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NEM ID 

Per Henrik Askestad

Bestyrelsesmedlem

På vegne af: Joinmybox ApS

Serienummer: PID:9208-2002-2-618798063635

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Anders Salomonsen

Statsautoriseret revisor

På vegne af: Azets Audit Statsautoriseret Revisionspartnerselskab

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Jørgen Bødker

Dirigent

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