
Achoo ApS

Bygmestervej 10, 2. tv, DK-2400 København NV

Annual Report for 2019

CVR-nr. 36 42 42 49

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 31/8 2020

Mogens Nielsen
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Achoo 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 financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

We recommend that the Annual Report be adopted at the Annual General Meeting.

København, 31 August 2020

Executive Board

Rasmus Djernæs Nielsen
Adm manager

Board of Directors

Mogens Nielsen
Chairman

Hay Huynh

Henrik Kähler

Frederik Güldner Kolenda

Ulla Falk Langeland-Knudsen

Michael Frank

Independent Auditor's report

To the shareholders of Achoo ApS

Opinion

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 Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Achoo ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

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.

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 Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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.
- 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.

Odense M, 31 August 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Brian Petersen

state authorised public accountant

mne33722

Company information

The Company	<p>Achoo ApS</p> <p>Bygmestervej 10, 2. tv DK-2400 København NV</p> <p>Telephone: +45 24 47 48 78 Email: info@getachoo.com Website: www.getachoo.com</p> <p>CVR No: 36 42 42 49 Financial period: 1 January - 31 December Incorporated: 23 October 2014 Financial year: 5th financial year Municipality of reg. office: København</p>
Board of Directors	<p>Mogens Nielsen, Chairman Hay Huynh Henrik Kähler Frederik Guldner Kolenda Ulla Falk Langeland-Knudsen Michael Frank</p>
Executive board	<p>Rasmus Djernæs Nielsen</p>
Auditors	<p>PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Munkebjergvænget 1, 3. og 4. sal 5230 Odense M</p>
Bankers	<p>Nykredit Bank</p>

Management's review

Key activities

The objects of the Company are to develop, commercialise and sell web-based marketing tools.

Development in the year

The income statement of the Company for 2019 shows a loss of DKK 2,462,485, and at 31 December 2019 the balance sheet of the Company shows positive equity of DKK 5,617,360.

Management considers the result for the year to be unsatisfactory.

In 2019 the Company further grew its sales in particularly Europe and the Middle East, and the Company continued to do major investments in both sales resources as well as continued development of the Achoo Influencer Platform.

Uncertainty relating to recognition and measurement

See Note 2 concerning recognition and measurement of capitalized development costs.

In addition, there has been no uncertainty regarding recognition and measurement in the annual report.

Subsequent events

The Company's outlook for the future will be negatively affected by the COVID-19 outbreak and the measures taken by governments in most of the world to mitigate the impacts of the outbreak, see also subsequent events disclosures in note 3.

Income statement 1 January - 31 December

	Note	2019 DKK	2018 TDKK
Gross profit/loss		1,903,336	1,419
Staff expenses	4	-3,001,292	-3,142
Amortisation and impairment losses of intangible assets	5	-1,954,748	-1,431
Profit/loss before financial income and expenses		-3,052,704	-3,154
Financial income		220	250
Financial expenses		-112,988	-64
Profit/loss before tax		-3,165,472	-2,968
Tax on profit/loss for the year	6	702,987	663
Net profit/loss for the year		-2,462,485	-2,305

Distribution of profit

	2019 DKK	2018 TDKK
Proposed distribution of profit		
Retained earnings	-2,462,485	-2,305
	-2,462,485	-2,305

Balance sheet 31 December

Assets

	Note	2019 DKK	2018 TDKK
Completed development projects		0	21
Development projects in progress		6,720,141	6,123
Intangible assets	7	6,720,141	6,144
Fixed assets		6,720,141	6,144
Trade receivables		197,657	214
Other receivables		155,819	134
Corporation tax		640,799	699
Receivables		994,275	1,047
Cash at bank and in hand		2,312,505	209
Current assets		3,306,780	1,256
Assets		10,026,921	7,400

Balance sheet 31 December

Liabilities and equity

	Note	2019	2018
		DKK	TDKK
Share capital		904,426	154
Reserve for development costs		4,772,323	4,072
Retained earnings		-59,389	-2,136
Equity	8	5,617,360	2,090
Provision for deferred tax		689,900	753
Provisions		689,900	753
Other payables		2,958,465	2,891
Long-term debt	9	2,958,465	2,891
Trade payables		149,984	90
Other payables		245,911	1,235
Deferred income		365,301	341
Short-term debt		761,196	1,666
Debt		3,719,661	4,557
Liabilities and equity		10,026,921	7,400
Going concern	1		
Uncertainty relating recognition and measurement	2		
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Notes to the financial statement

1. Going concern

This is the company's fifth fiscal year and the company has continued to allocate significant resources to product development and product customisation.

For the company's ongoing activities in 2020 a capital increase was made in December 2019, where investors injected DKK 2.5 million in cash into the company.

Despite COVID-19, which have had a negative impact on business, the company expects continued revenue growth in the coming year and has prepared a budget showing sufficient liquidity to maintain its operations in 2020. As the budget contains expectations for future earnings, there is a common uncertainty associated with this. It is management's assessment that the budget can be realised and the company presents the accounts based on a going concern consideration.

2. Uncertainty relating to recognition and measurement

The company has continued the development of the "Achoo Influencer Platform". As of 31 December 2019, the value of capitalised development project was TDKK 6,720, which is recognised as intangible assets in the company's annual report. As product development is not finalised, further capitalisation of development costs is expected in the next years.

The valuation of these presupposes that the future earnings from the Company's product exceed the amount capitalised.

As expected future earnings are based on expectations for the future, there is inherently an uncertainty that may put doubt on the valuation of capitalised development costs.

Management expects that the company's marketing and sales activities are increased in the coming years and that the company thereby in the long term will achieve sufficient earnings that exceeds the capitalised development costs.

3. Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

The company's expected revenue is negatively affected by COVID in 2020. It is not possible to calculate the total size of the negative impact as the company is in a start-up phase.

Notes to the financial statement

	<u>2019</u>	<u>2018</u>
	DKK	TDKK
4. Staff Expenses		
Wages and salaries	2,903,136	2,976
Other social security expenses	52,091	57
Other staff expenses	46,065	109
	<u>3,001,292</u>	<u>3,142</u>
Average number of employees	<u>7</u>	<u>7</u>

	<u>2019</u>	<u>2018</u>
	DKK	TDKK
5. Amortisation and impairment losses of intangible assets		
Amortisation of intangible assets	1,954,748	1,431
	<u>1,954,748</u>	<u>1,431</u>

	<u>2019</u>	<u>2018</u>
	DKK	TDKK
6. Income tax expense		
Current tax for the year	-640,799	-699
Deferred tax for the year	-62,188	36
	<u>-702,987</u>	<u>-663</u>

Notes to the financial statement

7. Intangible fixed assets

	Completed development projects	Develop- ment projects in progress
	DKK	DKK
Cost at 1 January	124,996	8,404,084
Additions for the year	0	2,530,982
Cost at 31 December	<u>124,996</u>	<u>10,935,066</u>
Impairment losses and amortisation at 1 January	104,163	2,281,010
Amortisation for the year	20,833	1,933,915
Impairment losses and amortisation at 31 December	<u>124,996</u>	<u>4,214,925</u>
Carrying amount at 31 December	<u>0</u>	<u>6,720,141</u>
Amortised over	<u>5 years</u>	<u>5 years</u>

Development projects concern continuous further development and updating of the Achoo Influencer Platform and its functionalities, which are done in active dialogue with users and customers. This increases the likelihood that the platform meets customer needs and thus their willingness to remain customers. The current identified development pipeline in the projects is expected to be completed in 2020, so marketing can also be intensified during 2020. The projects are proceeding as planned using the resources that management has allocated to product development. As development progresses, it is expected that sales relating to access to the Achoo Influencer Platform will grow further in the international markets.

8. Equity

	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	153,563	0	4,071,918	-2,135,387	2,090,094
Cash capital increase	750,863	5,238,888	0	0	5,989,751
Development costs for the year	0	0	700,405	-700,405	0
Net profit/loss for the year	0	0	0	-2,462,485	-2,462,485
Transfer from share premium account	0	-5,238,888	0	5,238,888	0
Equity at 31 December	<u>904,426</u>	<u>0</u>	<u>4,772,323</u>	<u>-59,389</u>	<u>5,617,360</u>

Notes to the financial statement

9. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2019</u>	<u>2018</u>
	DKK	TDKK
Other payables		
After 5 years	0	0
Between 1 and 5 years	<u>2,958,465</u>	<u>2,891</u>
Long-term part	2,958,465	2,891
Other short-term payables	<u>245,911</u>	<u>1,235</u>
	<u>3,204,376</u>	<u>4,126</u>
	<u>2019</u>	<u>2018</u>
	DKK	TDKK

10. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Rent obligations, non-cancellation period 3 months	92,700	90
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There are no security and contingent liabilities at 31. December 2019.

Notes to the financial statement

11. Accounting policies

The Annual Report for Achoo ApS for 2019 has been prepared in accordance with the Danish Financial Statements Act for companies in Class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

However, the company has reclassified capitalized personnel costs during the financial year. Capitalized staff costs are reclassified to the item Work done at own expense in the income statement. Comparative figures have been adjusted and the changes do not affect either the profit for the year, equity or the financial position. However, the gross profit in the comparative figures is positively affected by TDKK 695.

The Financial Statements for 2019 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Income statement

Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise expenses for premises, sales and as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, work on own account recognised in assets and other external expenses.

Staff expenses

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. The item is net of refunds made by public authorities.

Notes to the financial statement

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation and impairment of intangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Intangible fixed assets

Development project acquired on the formation of the Company is measured at the lower of cost less accumulated amortisation and recoverable amount and is amortised over 5 years. Development projects that are clearly defined and identifiable and where the technical rate of utilization, sufficient resources and a potential future market or development potential in the Company may be demonstrated and where the aim is to manufacture, market or use the product or the process are recognised as intangible assets if there is sufficient certainty that the future earnings can cover the production, selling and administrative costs as well as the overall development costs. Development costs are determined at the direct costs incurred as well as patent costs for the individual development projects.

Impairment of fixed assets

The carrying amounts of intangible assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the financial statement

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.