

ACUMEX ApS

c/o Niklas Hall, Peder Lykkes Vej 53, 1. tv.
2300 København S

CVR no. 36 46 08 57

Annual report for the period 1 April 2019 – 31 March 2020

The annual report was presented and approved at the
Company's annual general meeting on

13 November 2020

Niklas Frank Hall
chairman

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ACUMEX ApS
Annual report 2019/20
CVR no. 36 46 08 57

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of ACUMEX ApS for the financial year 1 April 2019 – 31 March 2020.

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, liabilities and financial position at 31 March 2020 and of the results of the Company's operations for the financial year 1 April 2019 – 31 March 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.

Copenhagen, 13 November 2020
Executive Board:

Niklas Frank Hall
CEO

Flavio Gaier

Independent auditor's report

To the shareholders of ACUMEX ApS

Opinion

We have audited the financial statements of ACUMEX ApS for the financial year 1 April 2019 – 31 March 2020 comprising 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 Company's assets, liabilities and financial position at 31 March 2020 and of the results of the Company's operations for the financial year 1 April 2019 – 31 March 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 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.

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

Management's responsibility 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 that 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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

Independent auditor's report

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

Copenhagen, 13 November 2020

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

ACUMEX ApS
Annual report 2019/20
CVR no. 36 46 08 57

Management's review

Company details

ACUMEX ApS
c/o Niklas Hall
Peder Lykkes Vej 53, 1. tv.
2300 København S

CVR no.:	36 46 08 57
Established:	15 December 2014
Financial year:	1 April – 31 March

Executive Board

Niklas Frank Hall, CEO
Flavio Gaier

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen

Annual general meeting

The annual general meeting will be held on 13 November 2020.

Management's review

Operating review

Principal activities

During the financial year the Company and CWI have progressed with the Public Private Partnership agreement and development work is ongoing on both algorithm and technology side. Ongoing talks with potential industrial partners to participate in pilot-projects with the new technology came to an abrupt halt in early 2020 due to Covid-19 and have had to be postponed until further notice.

On the 13th of January 2020 the Company formally established a subsidiary in Lithuania, UAB Acumex Tech, with Flavio Gaier as CEO. The company will make up the technical backbone of the Acumex Group providing the core technology and infrastructure for the Group's services. The company is also the anchor point for the collaboration with Microsoft.

Development in activities and financial position

The partnership agreements pursued did not materialize, which is disappointing. Covid-19 was the straw that broke the camel's back, but the sales cycle is also very slow. There is interest in AI solutions in the market, but also a lot of confusion, and many companies realize, they have a digital gap between current technologies and new technologies, which means they spend time and resources on catching up. This slows down the sales cycle even more. As a result, the Company has not been able to generate the revenues hoped for in the last fiscal year and ends the year with a loss.

Expectations for the coming year

The Covid-19 situation has introduced a higher level of uncertainty in the outlook. The impact of Covid-19 has been felt across all industries and in the best cases investments in new technology have virtually stopped. In bad cases downsizing and cost-cutting is on the agenda. On the short term, this is not a positive environment to introduce new technology in. Despite this there is reason to maintain a certain optimism for the future. The situation with Covid-19 has made it clear that more digitalization is needed across all areas in businesses. Specifically, for the supply chains it has also become clear that the prevailing approach has been too fragile and more resilience will be required in the future. These trends support the introduction of the Company's technologies to help make trading and procurement more efficient and effective. The focus for the immediate future is to identify companies, which, despite Covid-19, are ready to be first-movers on new technologies and to get the partnerships off the ground. The Company will also seek to improve its financial situation with financial restructuring and additional funding, while pursuing revenues in the post-Covid-19 environment.

Events after the balance sheet date

No events of material significance have occurred after the closing of the financial year.

Material uncertainties regarding going concern

The Company has lost more than 50% of its contributed capital and is thus subject to the provisions on loss of capital under the Danish Companies Act. The Company has re-established its share capital in November 2020 by converting debt. Further it is Management's assessment that the capital will be strengthened through future gains, financial restructuring and additional funding.

Financial statements 1 April – 31 March

Income statement

DKK	Note	1/4 2019- 31/3 2020	1/4 2018- 31/3 2019
Gross loss		-134,909	-37,293
Staff costs	3	-442,694	-630,205
Operating loss		-577,603	-667,498
Financial expenses	4	-87,959	-97,571
Loss before tax		-665,562	-765,069
Tax on loss for the year	5	239,206	190,314
Loss for the year		-426,356	-574,755
Proposed distribution of loss			
Retained earnings		-426,356	-574,755

Financial statements 1 April – 31 March

Balance sheet

DKK	Note	<u>31/3 2020</u>	<u>31/3 2019</u>
ASSETS			
Fixed assets			
Intangible assets			
Development projects in progress		<u>2,140,900</u>	<u>1,425,121</u>
Investments			
Equity investments in group entities		<u>68,625</u>	<u>50,000</u>
Total fixed assets		<u>2,209,525</u>	<u>1,475,121</u>
Current assets			
Receivables			
Other receivables		3,276	530
Corporation tax		149,801	313,527
Prepayments		<u>34,767</u>	<u>150,410</u>
		<u>187,844</u>	<u>464,467</u>
Cash at bank and in hand		<u>802,880</u>	<u>717,719</u>
Total current assets		<u>990,724</u>	<u>1,182,186</u>
TOTAL ASSETS		<u><u>3,200,249</u></u>	<u><u>2,657,307</u></u>

Financial statements 1 April – 31 March

Balance sheet

DKK	Note	31/3 2020	31/3 2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital		159,870	159,870
Reserve for development costs		1,642,707	1,111,594
Retained earnings		<u>-1,854,999</u>	<u>-897,530</u>
Total equity		<u>-52,422</u>	<u>373,934</u>
Provisions			
Provisions for deferred tax		<u>224,122</u>	<u>313,527</u>
Total provisions		<u>224,122</u>	<u>313,527</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Convertible and profit-sharing debt instruments	7	<u>2,607,500</u>	<u>1,490,000</u>
Current liabilities other than provisions			
Trade payables		405,269	406,990
Other payables		<u>15,780</u>	<u>72,856</u>
		<u>421,049</u>	<u>479,846</u>
Total liabilities other than provisions		<u>3,028,549</u>	<u>1,969,846</u>
TOTAL EQUITY AND LIABILITIES		<u><u>3,200,249</u></u>	<u><u>2,657,307</u></u>
Disclosure of material uncertainties regarding going concern	2		
Contractual obligations, contingencies, etc.	6		

Financial statements 1 April – 31 March

Statement of changes in equity

DKK	<u>Contributed capital</u>	<u>Reserve for development costs</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 April 2019	159,870	1,111,594	-897,530	373,934
Transferred over the profit appropriation/distribution of loss	<u>0</u>	<u>531,113</u>	<u>-957,469</u>	<u>-426,356</u>
Equity at 31 March 2020	<u><u>159,870</u></u>	<u><u>1,642,707</u></u>	<u><u>-1,854,999</u></u>	<u><u>-52,422</u></u>

Financial statements 1 April – 31 March

Notes

1 Accounting policies

The annual report of ACUMEX ApS for 2019/20 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in of specific provisions for reporting class C.

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

In the balance sheet, a reclassification of DKK 1.5 Million between the captions "Convertible and profit-sharing debt instruments" and "Payable to associates" has been made in the comparative for 2018/19.

Omission of consolidated financial statements

Pursuant to section 110(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Income statement

Gross Loss

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross loss.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial expenses

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

Tax on loss for the year

The Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Development projects in progress

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

Equity investments in group entities

Equity investments in group entities are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividends, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred 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 measured at net realisable value.

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Other liabilities are measured at net realisable value.

2 Disclosure of material uncertainties regarding going concern

The Company has lost more than 50% of its contributed capital and is thus subject to the provisions on loss of capital under the Danish Companies Act. The Company has re-established its share capital in November 2020 by converting debt. Further it is Management's assessment that the capital will be strengthened through future gains, financial restructuring and additional funding.

Financial statements 1 April – 31 March

Notes

3 Staff costs

DKK	1/4 2019- 31/3 2020	1/4 2018- 31/3 2019
Wages and salaries	617,106	826,646
Pensions	8,000	0
Other social security costs	20,088	6,059
	<u>645,194</u>	<u>832,705</u>

Staff costs are recognised in the financial statements as follows:

Staff costs	442,964	630,205
Development projects	202,500	202,500
	<u>645,464</u>	<u>832,705</u>

Average number of full-time employees	<u>2</u>	<u>3</u>
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4 Financial expenses

Interest expense to group entities	68,912	53,476
Other financial costs	19,047	44,095
	<u>87,959</u>	<u>97,571</u>

5 Tax on loss for the year

Current tax for the year	-149,801	-295,526
Deferred tax for the year	2,168	190,438
Adjustment of tax concerning previous years	0	-85,226
Adjustment of deferred tax concerning previous year	-91,573	0
	<u>-239,206</u>	<u>-190,314</u>

6 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is jointly taxed with other Danish companies in the Group. As administrative company, together with the other companies in the joint taxation, the Company has joint and several liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation. Corporation tax payable within the joint taxation scheme amounted to DKK 0 thousand at 31 March 2019 (2018: DKK 0 thousand). Any later corrections of the taxable income subject to joint taxation may entail that the Company's liability will increase.

Financial statements 1 April – 31 March

Notes

7 Non-current liabilities other than provisions

DKK	31/3 2020	31/3 2019	Outstanding debt after five years
Convertible and profit-sharing debt instruments	2,607,500	1,490,000	0
	<u>2,607,500</u>	<u>1,490,000</u>	<u>0</u>