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Dixa ApS

Vimmelskaftet 41, 1.
1161 Copenhagen
CVR No. 36561009

Annual report 2020

The Annual General Meeting adopted the annual report on 31.05.2021

Mads Christian Blicher Fosselius
Chairman of the General Meeting

Contents

Entity details

Entity

Dixa ApS

Vimmelskaftet 41, 1.

1161 Copenhagen

CVR No.: 36561009

Registered office: København

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Preben Damgaard Nielsen, chairman of the board

Nikolaj Kornum

Lars Thinggaard

Niels Vejrup Carlsen

Uwe Horstmann

Jocelyn Christopher White

Thomas Neergaard Hansen

Executive Board

Mads Christian Blicher Fosselius, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Dixa ApS for the financial year 01.01.2020 - 31.12.2020.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 31.05.2021

Executive Board

Mads Christian Blicher Fosselius
CEO

Board of Directors

Preben Damgaard Nielsen
chairman of the board

Nikolaj Kornum

Lars Thinggaard

Niels Vejrup Carlsen

Uwe Horstmann

Jocelyn Christopher White

Thomas Neergaard Hansen

Independent auditor's report

To the shareholders of Dixa ApS

Opinion

We have audited the financial statements of Dixa ApS for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 31.05.2021

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Fauerskov
State Authorised Public Accountant
Identification No (MNE) mne35428

Management commentary

Primary activities

Dixa ApS primary activity is development and innovation within Customer success / customer engagement and included in that operate a cloud-based customer engagement platform to empower brands to create great experience for their customers & teams in a friendly & engaging way, and to research and develop software and related services which, in the opinion of the Executive Board, is associated hereto.

Development in activities and finances

Profit/loss for the Company's activities showed a loss for the financial year, which was expected, based on the company's focus on development and innovation in products towards customer service and continuous investment in scaling the organization.

The Company have been affected by Covid-19 and did retire a range of employees in the spring of 2020. The company did come out of Covid-19 with renewed strength and no further significantly effect on the company's going concern or development is expected.

Outlook

It is expected that a larger part of the liquidity will be used for research and development of Dixa's customer engagement platform (software), and strengthen Dixa's general organization. As a result hereto, staff costs for developers will increase, in line with new recruitment.

After launching Dixa's cloud-based customer service platform, the Company has experienced an increase in new customers with significant positive growth in revenues, as a result hereof. The growth is expected to continue. However, as there is a strengthening of development, a loss is still expected for the next financial year.

Research and development activities

The company's largest asset is the company's Research & development project containing the Dixa platform and it's employees.

The Company is spending significant resources on development & research and are constantly working towards keeping the strong set of competences, which are employed today in Dixa. The Company did invest USD 4,1 mil. In research and development of the platform.

It is Dixa's strategy to keep and further develop the current strong competences and resources in the company.

Events after the balance sheet date

Dixa did a strategic acquisition of an Australian innovation company on USD 12,3 mil. In February 2021, financed with USD 8,1 mil. In Cash and USD 4,2 mil. In new shares. This to strengthening our product and future development, by investing in more features & functionality for the Customer. Since year end, the focus has been on optimizing the development organization and following our commercial strategy.

Income statement for 2020

	Notes	2020 USD	2019 USD
Gross profit/loss		**2,889,715**	**(527,321)**
Staff costs	1	(9,319,966)	(4,621,370)
Depreciation, amortisation and impairment losses	2	(810,260)	(397,446)
Operating profit/loss		**(7,240,511)**	**(5,546,137)**
Other financial income	3	60,967	70,441
Other financial expenses		(1,175,220)	(144,887)
Profit/loss before tax		**(8,354,764)**	**(5,620,583)**
Tax on profit/loss for the year	4	892,072	395,604
Profit/loss for the year		**(7,462,692)**	**(5,224,979)**
Proposed distribution of profit and loss			
Retained earnings		(7,462,692)	(5,224,979)
Proposed distribution of profit and loss		**(7,462,692)**	**(5,224,979)**

Balance sheet at 31.12.2020

Assets

	Notes	2020 USD	2019 USD
Completed development projects	6	2,501,920	1,349,063
Development projects in progress	6	3,784,315	1,375,539
Intangible assets	5	**6,286,235**	**2,724,602**
Other fixtures and fittings, tools and equipment		201,653	93,975
Leasehold improvements		73,373	36,308
Property, plant and equipment	7	**275,026**	**130,283**
Investments in group enterprises		2	2
Deposits		196,053	162,372
Financial assets	8	**196,055**	**162,374**
Fixed assets		**6,757,316**	**3,017,259**
Trade receivables		637,222	302,283
Receivables from group enterprises		482,233	67,585
Other receivables		0	26,645
Income tax receivable		901,635	302,363
Prepayments		388,256	90,499
Receivables		**2,409,346**	**789,375**
Cash		**16,449,056**	**5,580,694**
Current assets		**18,858,402**	**6,370,069**
Assets		**25,615,718**	**9,387,328**

Equity and liabilities

	Notes	2020 USD	2019 USD
Contributed capital		36,482	26,556
Reserve for development expenditure		4,903,264	2,125,190
Retained earnings		16,924,604	5,958,711
Equity		**21,864,350**	**8,110,457**
Other payables		835,430	201,670
Non-current liabilities other than provisions	9	**835,430**	**201,670**
Trade payables		522,175	420,464
Other payables		1,732,114	330,841
Deferred income		661,649	323,896
Current liabilities other than provisions		**2,915,938**	**1,075,201**
Liabilities other than provisions		**3,751,368**	**1,276,871**
Equity and liabilities		**25,615,718**	**9,387,328**
Unrecognised rental and lease commitments	10		
Contingent assets	11		
Assets charged and collateral	12		

Statement of changes in equity for 2020

	Contributed capital USD	Reserve for development expenditure USD	Retained earnings USD	Total USD
Equity beginning of year	26,556	2,125,190	5,958,711	8,110,457
Increase of capital	7,671	0	20,526,684	20,534,355
Costs related to equity transactions	0	0	(79,018)	(79,018)
Exchange rate adjustments	2,255	0	758,993	761,248
Transfer to reserves	0	2,778,074	(2,778,074)	0
Profit/loss for the year	0	0	(7,462,692)	(7,462,692)
Equity end of year	**36,482**	**4,903,264**	**16,924,604**	**21,864,350**

Notes

1 Staff costs

	2020 USD	2019 USD
Wages and salaries	11,132,661	4,853,753
Pension costs	526,312	201,326
Other social security costs	92,081	106,975
Other staff costs	801,832	834,855
	12,552,886	**5,996,909**
Staff costs classified as assets	(3,232,920)	(1,375,539)
	9,319,966	**4,621,370**

Average number of full-time employees	**106**	**45**

2 Depreciation, amortisation and impairment losses

	2020 USD	2019 USD
Amortisation of intangible assets	756,800	380,771
Depreciation of property, plant and equipment	53,460	16,675
	810,260	**397,446**

3 Other financial income

	2020 USD	2019 USD
Financial income from group enterprises	0	10,662
Exchange rate adjustments	43,771	214
Other financial income	17,196	59,565
	60,967	**70,441**

4 Tax on profit/loss for the year

	2020 USD	2019 USD
Current tax	(892,734)	(302,363)
Change in deferred tax	0	(93,241)
Adjustment concerning previous years	662	0
	(892,072)	**(395,604)**

5 Intangible assets

	Completed development projects USD	Development projects in progress USD
Cost beginning of year	1,967,681	1,375,539
Exchange rate adjustments	128,726	139,119
Transfers	1,514,658	(1,514,658)
Additions	314,026	3,784,315
Cost end of year	**3,925,091**	**3,784,315**
Amortisation and impairment losses beginning of year	(618,618)	0
Exchange rate adjustments	(47,753)	0
Amortisation for the year	(756,800)	0
Amortisation and impairment losses end of year	**(1,423,171)**	**0**
Carrying amount end of year	**2,501,920**	**3,784,315**

6 Development projects

Development projects comprises the Dixa platform, which is the heart in Dixa's business the one and only business area. The development is improved with new versions, features and data to understate the business and needs from the clients. The future return on the development project is expected to exceed the investment. The growth of business within Dixa is big but the profit and loss statement of the year is also affected from massive investments in sales and new business areas.
Depreciation is done in a 5 year period and the management don't have any indication of impairment to the book values as of 31.12.2020.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment USD	Leasehold improvements USD
Cost beginning of year	109,765	38,510
Exchange rate adjustments	10,439	3,701
Additions	143,860	41,946
Cost end of year	**264,064**	**84,157**
Depreciation and impairment losses beginning of year	(15,790)	(2,202)
Exchange rate adjustments	(1,521)	(222)
Depreciation for the year	(45,100)	(8,360)
Depreciation and impairment losses end of year	**(62,411)**	**(10,784)**
Carrying amount end of year	**201,653**	**73,373**

8 Financial assets

	Investments in group enterprises USD
Cost beginning of year	2
Cost end of year	**2**
Carrying amount end of year	**2**

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity USD	Profit/loss USD
Dixa Ltd	United Kingdom	Ltd	100	(290,319)	(290,319)
Dixa Inc.	United States	Inc	100	(14,809)	(14,809)

9 Non-current liabilities other than provisions

	Due after more than 12 months 2020 USD
Other payables	835,430
	835,430

10 Unrecognised rental and lease commitments

	2020 USD	2019 USD
Liabilities under rental or lease agreements until maturity in total	**1,060,000**	**1,141,000**

11 Contingent assets

The Company has unrecognised deferred tax assets of 1.931k USD.

12 Assets charged and collateral

None.

Accounting policies

Reporting class
This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year but with a few reclassification in the presentation of the annual report in the comparative figures.

The functional currency in the Company is DKK, but the Company has chosen USD as presentation currency in the financial statements. The exchange rate on the balance date is 6,0576 DKK on each USD.

Consolidated financial statements
Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

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.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Subscriptions and licences are recognised as delivery takes place and thus accrued over the contract period.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Other financial income

Other financial income comprises interest income and currency adjustments

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and exchange rate losses.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intellectual property rights etc
Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Other fixtures and fittings, tools and equipment and leasehold improvement are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in bank deposits.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.