

Duuoo ApS
c/o Founders A/S, Skelbækgade 2, 5., 1717 Copenhagen

Company reg. no. 37 29 83 36

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 8 June 2020.

Christoffer Galbo
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

Today, the board of directors and the managing director have presented the annual report of Duuoo ApS for the financial year 1 January - 31 December 2019 of Duuoo ApS.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the company's results of activities in the financial year 1 January – 31 December 2019.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Copenhagen, 8 June 2020

Managing Director

Magnus Stawicki Blak

Board of directors

Peter Heering
Chairman

Simon Sylvest Rasmussen

Magnus Stawicki Blak

Independent auditor's report

To the shareholders of Duuoo ApS

Opinion

We have audited the financial statements of Duuoo ApS for the financial year 1 January - 31 December 2019, which comprise accounting policies, income statement, statement of financial position and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the results of the company's activities 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 and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 8 June 2020

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Michael Winther Rasmussen

State Authorised Public Accountant
mne28708

Jacob Helly Juell-Hansen

State Authorised Public Accountant
mne36169

Company information

The company

Duooo ApS
c/o Founders A/S
Skelbækgade 2, 5.
1717 Copenhagen

Company reg. no. 37 29 83 36
Domicile: Copenhagen
Financial year: 1 January 2019 - 31 December 2019

Board of directors

Peter Heering, Chairman
Simon Sylvest Rasmussen
Magnus Stawicki Blak

Managing Director

Magnus Stawicki Blak

Auditors

Grant Thornton, State Authorized Public Accountants
Stockholmsgade 45
2100 Copenhagen

Management commentary

The principal activities of the company

The company's primary activity is to provide systems for communication between managers, employees, and administration as well as development and sales of related technology.

Development in activities and financial matters

The gross profit for the year totals DKK 1.688.000 against DKK -1.811.000 last year. The management consider the results in line with their expectation.

The company has lost its entire share capital. Management expects that the share capital will be reestablished in full through future positive income or capital increases and has on this basis prepared the financial statements under the assumption of going concern.

Events occurring after the end of the financial year

The Corona crisis which has hit the world in March 2020 is expected to last at least until summer 2020 and will impact the world economy for a considerable time thereafter. The management cannot foresee the effect of this with any kind of certainty.

Duuoo is affected directly by the corona-crises in regards to 1). fundraising, 2). customer retention and sales to new customers.

1). Fundraising: Duuoo started fundraising in January 2020 with the goal of raising growth capital before the end of 1H/2020. The impact of the COVID-19 global lock-down, however, resulted in an almost immediate freeze of the entire capital market, making early-stage fundraising near-to-impossible. Specifically, potential investors expressed concerns that HR-tech was to be impacted especially hard due to HR's extraordinary tasks of laying off employees and handling salary reductions, establishing help packages, etc. throughout the COVID-19 crises. Duuoo was in fairly progressed talks with several investors, that all advised resuming talks after the crises.

2). Customer churn and new bizz sales in the periode of 1/3-2020 to 31/5-2020: Since the COVID-19 lock-down, Duuoo has experienced a 9% MRR churn, a 73% drop in the average number of monthly sales meetings, a subsequent 67% decrease in new trials and 0 onboarding of new customers. Overall, the COVID-19 lock-down has hit Duuoo hard. It will take some time to recover and gain momentum to the same positive level of activity as before the COVID-19 impact. Management, however, remains positive and bullish on the outlook for Duuoo.

No further events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies

The annual report for Duuoo ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises revenue and external costs.

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

Accounting policies

Other external costs comprise costs sales, advertising, administration, premises and loss on receivables.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses comprise interest, income and interest expenses. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to the Danish legislation concerning mandatory joint taxation with the Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects

Development costs comprise salaries, wages, and other cost that are directly attributable to development activities.

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 5 years.

Accounting policies

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, plant, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand

Cash on hand comprise cash at bank and on hand.

Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Duuoo ApS is proportionally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Accounting policies

Deferred tax assets, including the tax value of tax losses eligible for carryforward, are recognised at their expected realisable value, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisation value.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

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

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Income statement 1 January - 31 December

Amounts concerning 2019: DKK.

Amounts concerning 2018: DKK thousand.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Gross profit	1.687.807	-1.811
2 Staff costs	-2.964.805	-3.257
Depreciation on other fixtures	-2.831	0
Operating profit	-1.279.829	-5.068
Other financial income	2.464	3
3 Other financial costs	-710.932	-1.204
Pre-tax net profit or loss	-1.988.297	-6.269
4 Tax on net profit or loss for the year	568.314	194
Net profit or loss for the year	-1.419.983	-6.075
 Proposed appropriation of net profit:		
Transferred to other statutory reserves	2.730.677	0
Allocated from retained earnings	-4.150.660	-6.075
Total allocations and transfers	-1.419.983	-6.075

Statement of financial position at 31 December

Amounts concerning 2019: DKK.

Amounts concerning 2018: DKK thousand.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Assets		
Non-current assets		
5 Development projects	3.500.868	0
Total intangible assets	<u>3.500.868</u>	<u>0</u>
6 Other fixtures	31.073	0
Total property, plant, and equipment	<u>31.073</u>	<u>0</u>
Total non-current assets	<u>3.531.941</u>	<u>0</u>
Current assets		
Trade receivables	199.327	355
Deferred tax assets	770.191	483
Other receivables	102.995	19
Prepayments and accrued income	2.382	3
Total receivables	<u>1.074.895</u>	<u>860</u>
Cash on hand	<u>2.530.853</u>	<u>192</u>
Total current assets	<u>3.605.748</u>	<u>1.052</u>
Total assets	<u>7.137.689</u>	<u>1.052</u>

Statement of financial position at 31 December

Amounts concerning 2019: DKK.

Amounts concerning 2018: DKK thousand.

Equity and liabilities			
<u>Note</u>	<u>2019</u>	<u>2018</u>	
Equity			
7	Contributed capital	183.672	92
8	Other statutory reserves	2.730.677	0
9	Retained earnings	-5.326.418	-11.784
	Total equity	-2.412.069	-11.692
Liabilities			
10	Debt to group companies	3.018.905	6.845
11	Other long-term loan	5.841.907	5.216
	Total long term liabilities	8.860.812	12.061
	Trade payables	106.482	149
	Other payables	478.331	276
	Accruals and deferred income	104.133	258
	Total short term liabilities	688.946	683
	Total liabilities	9.549.758	12.744
	Total equity and liabilities	7.137.689	1.052

1 Uncertainties concerning the enterprise's ability to continue as a going concern

12 Contingencies

Notes

Amounts concerning 2019: DKK.

Amounts concerning 2018: DKK thousand.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

The company has lost the entire share capital. Management expects that the share capital will be reestablished in full through future positive income or capital increases and has on this basis prepared the financial statements under the assumption of going concern.

	<u>2019</u>	<u>2018</u>
2. Staff costs		
Salaries and wages	2.849.845	2.932
Pension costs	58.152	58
Other costs for social security	19.029	33
Other staff costs	<u>37.779</u>	<u>234</u>
	<u>2.964.805</u>	<u>3.257</u>
Average number of employees	<u>6</u>	<u>10</u>
3. Other financial costs		
Financial costs, group enterprises	627.366	639
Other financial costs	<u>83.566</u>	<u>565</u>
	<u>710.932</u>	<u>1.204</u>
4. Tax on net profit or loss for the year		
Change in deferred tax	-568.314	-483
Adjustment of tax for previous years	<u>0</u>	<u>289</u>
	<u>-568.314</u>	<u>-194</u>

Notes

Amounts concerning 2019: DKK.

Amounts concerning 2018: DKK thousand.

	<u>31/12 2019</u>	<u>31/12 2018</u>
5. Development projects		
Additions during the year	<u>3.500.868</u>	<u>0</u>
Cost 31 December 2019	<u>3.500.868</u>	<u>0</u>
Carrying amount, 31 December 2019	<u>3.500.868</u>	<u>0</u>
6. Other fixtures		
Additions during the year	<u>33.904</u>	<u>0</u>
Cost 31 December 2019	<u>33.904</u>	<u>0</u>
Depreciation for the year	<u>-2.831</u>	<u>0</u>
Depreciation and writedown 31 December 2019	<u>-2.831</u>	<u>0</u>
Carrying amount, 31 December 2019	<u>31.073</u>	<u>0</u>
7. Contributed capital		
Contributed capital 1 January 2019	91.836	50
Capital increase of the year	<u>91.836</u>	<u>42</u>
	<u>183.672</u>	<u>92</u>
8. Other statutory reserves		
Provisions of year, development projects	<u>2.730.677</u>	<u>0</u>
	<u>2.730.677</u>	<u>0</u>
9. Retained earnings		
Retained earnings 1 January 2019	-11.783.922	-10.277
Profit or loss for the year brought forward	-4.150.660	-6.075
Dissolution of share premium for the year	<u>10.608.164</u>	<u>4.568</u>
	<u>-5.326.418</u>	<u>-11.784</u>

Notes

Amounts concerning 2019: DKK.

Amounts concerning 2018: DKK thousand.

	<u>31/12 2019</u>	<u>31/12 2018</u>
10. Debt to group companies		
Total debt to group companies	<u>3.018.905</u>	<u>6.845</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>
11. Other long-term loan		
Total other long-term loan	<u>5.841.907</u>	<u>5.216</u>
Share of liabilities due after 5 years	<u>5.841.907</u>	<u>5.216</u>

12. Contingencies

Joint taxation

With Founders A/S, company reg. no 34 59 84 60 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

The liabilities amount to a maximum amount corresponding to the share of the company capital, which is owned directly or indirectly by the ultimate parent company.