Ocean ApS

Strandgade 4, 3.
1401 København K
Denmark

CVR no. 38 55 67 46

Annual report 2021

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

2 June 2022

Gregers Kronborg
Chairman of the annual general meeting

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Ocean ApS for the financial year 1 January – 31 December 2021.

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 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

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, 2 June 2022
Executive Board:

Michael Heiberg

Board of Directors:

Gregers Kronborg Chairman	Michael Heiberg Vice Chairman	Michelle Jeanette Heiberg
Johannes van Mil	Henrik Wilsbech Lottrup	

Independent auditor's report

To the shareholders of Ocean ApS

Opinion

We have audited the financial statements of Ocean ApS for the financial year 1 January – 31 December 2021 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 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Material uncertainty related to going concern

We note that there is a material uncertainty concerning the Company's ability to continue as a going concern. We draw attention to Note 2, which describes the current financing situation of the Company, in which additional investment is needed to be able to fund its planned operations during the coming year. Management expects that the Company will be able to raise capital to continue its operations. Our opinion is not qualified in respect of this matter.

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.

Independent auditor's report

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 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.

Independent auditor's report

Copenhagen, 2 June 2022
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

Management's review

Company details

Ocean ApS
Strandgade 4, 3.
1401 København K
Denmark

CVR no.:	38 55 67 46
Established:	6 April 2017
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Board of Directors

Gregers Kronborg, Chairman
Michael Heiberg, Vice Chairman
Michelle Jeanette Heiberg
Johannes van Mil
Henrik Wilsbech Lottrup

Executive Board

Michael Heiberg

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

Ocean.io is a B2B revenue intelligence platform that helps businesses discover untapped revenue opportunities. AI and machine learning combine multiple data sources that companies use to enrich their CRM, segment their market, and find new opportunities with the unique company lookalike technology.

Development in activities and financial position

The Company's income statement for 2021 shows a loss of DKK -20,219,841 as against DKK -9,082,718 in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 12,363,803 as against DKK -18,383,246 at 31 December 2020.

Capital resources

The operations of the Company have been funded by the Parent Company and shareholder. These accumulated debts were converted during 2021, but the Company is still in a phase where significant investments are being made in its Revenue Intelligence platform, and the Company needs new investments in 2022 to be able to fund its activities.

The current investors have indicated that they are willing to ensure funding that will last until the end of the year, based on the current business plan.

The Company has historically shown ability to raise capital. It is Management's assessment that the Company, also in the future, will be able to ensure new funding to secure the continued operations. The accounts are on this basis prepared with continued operation in mind.

Events after the balance sheet date

No events have occurred after the balance sheet date, which would influence the evaluation of this annual report.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2021	2020
Gross loss	3	-6,410,251	-4,522,103
Staff costs	4	-12,873,370	-5,977,889
Depreciation, amortisation and impairment losses		-2,047,314	-568,370
Loss before financial income and expenses		-21,330,935	-11,068,362
Income from sale of equity investments in Group entities		0	46,606
Other financial income		16,091	47,826
Other financial expenses	5	-1,223,011	-870,709
Loss before tax		-22,537,855	-11,844,639
Tax on loss for the year	6	2,318,014	2,761,921
Loss for the year		-20,219,841	-9,082,718

Proposed distribution of loss

Reserve for development costs		5,895,739	7,458,944
Retained earnings		-26,115,580	-16,541,662
		-20,219,841	-9,082,718

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
ASSETS			
Fixed assets			
Intangible assets	7		
Completed development projects		17,121,389	9,562,748
Property, plant and equipment	8		
Plant and machinery		158,125	112,073
Investments	9		
Equity investments in Group entities		212,076	212,076
Deposits		346,656	167,678
		558,732	379,754
Total fixed assets		17,838,246	10,054,575
Current assets			
Receivables			
Trade receivables		979,528	200,240
Other receivables		711,450	264,133
Corporation tax		5,079,935	2,761,921
Prepayments		55,799	62,313
		6,826,712	3,288,607
Cash at bank and in hand		11,404,040	210,683
Total current assets		18,230,752	3,499,290
TOTAL ASSETS		36,068,998	13,553,865

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital		1,212,783	601,403
Reserve for development costs		13,354,683	7,458,944
Retained earnings		-2,203,663	-26,443,593
Total equity		12,363,803	-18,383,246
Liabilities			
Non-current liabilities	10		
Payables to shareholders and Management		0	202,775
Other payables		14,724,059	13,324,804
		14,724,059	13,527,579
Current liabilities			
Current portion of non-current liabilities		0	12,035,412
Prepayments received from customers		2,385,153	660,372
Trade payables		1,084,590	1,247,297
Payables to Group entities		1,381,154	2,701,592
Other payables		4,130,239	1,764,859
		8,981,136	18,409,532
Total liabilities		23,705,195	31,937,111
TOTAL EQUITY AND LIABILITIES		36,068,998	13,553,865

Disclosure of material uncertainties regarding going concern 2

Contractual obligations, contingencies, etc. 11

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2021	601,403	7,458,944	-26,443,593	-18,383,246
Debt conversion	274,568	0	22,877,533	23,152,101
Cash capital increase	336,812	0	27,477,977	27,814,789
Transferred over the distribution of loss	0	5,895,739	-26,115,580	-20,219,841
Equity at 31 December 2021	1,212,783	13,354,683	-2,203,663	12,363,803

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Ocean ApS for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

Change in comparative figures

Reclassifications have been made to certain postings in the balance sheet in the comparative figures.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Upon recognition of foreign subsidiaries and associates that are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign subsidiaries considered part of the total investment in the subsidiary are recognised directly in equity. Similarly, foreign exchange gains and losses on loans and derivative financial instruments taken out for the purpose of hedging investments in foreign subsidiaries are recognised directly in equity.

Upon recognition of foreign subsidiaries that are integrated entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the date of acquisition or the date of subsequent revaluations of the asset. Income statement items are translated at the exchange rates at the transaction date, whereas items derived from non-monetary items are translated at historical exchange rates for the non-monetary item.

Government grants

Government grants are recognised when it is fairly certain that the grant conditions will be complied with, and the grant will be received.

Grants compensating for costs incurred are recognised directly as operating income in the income statement as costs eligible for grants are incurred. If the conditions for receiving the grant are not complied with until after related costs have been recognised, the grant is to be recognised in the income statement when the conditions have been complied with and it is farily certain that the grant will be awarded.

Financial statements 1 January – 31 December

Notes

1 **Accounting policies (continued)**

Income statement

Gross profit

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

Revenue

Income from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2020.

Revenue from the sale of goods where installation is a condition for significant risks being considered to have been transferred to the buyer is recognised as revenue when installation has been completed.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

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.

Other external costs

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

Other operating income

Other operating income comprises items secondary to the activities of the entity.

Financial income and expenses

Financial income and expenses comprise interest income and expense. gains and losses on payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividends exceeds profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in the subsidiary.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Tax on loss for the year

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

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

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

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well development costs. Other development costs are recognised in the income statement as incurred.

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

Property, plant and equipment

Plant and machinery are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Plant and machinery	3-5 years

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Investments

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. The cost is reduced by dividends received exceeding accumulated earnings after the acquisition date.

Deposits are recognised at amortised cost.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in Group entities is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

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

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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 development 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.

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

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Financial statements 1 January – 31 December

Notes

2 Material uncertainties regarding going concern

The operations of the Company have been funded by the Parent Company and shareholders via accumulated loans, which were converted to share capital during 2021. However, the Company is still in a phase where significant investments are being made in relation to the Revenue Intelligence platform, and the Company therefore needs new financing in 2022 to be able to fund its future activities.

The current investors have indicated that they are willing to ensure funding that will last until the end of the year, based on the current business plan.

The Company has historically shown ability to raise capital. It is Management's assessment that the Company, also in the future, will be able to ensure new funding to secure the continued operations. The accounts are on this basis prepared with continued operation in mind.

3 Gross loss

Gross loss includes special items comprising compensation under COVID-19 government aid packages of DKK -769,546 (2020: DKK -1,563,430).

4 Staff costs

DKK	2021	2020
Wages and salaries	16,244,836	9,815,850
Pensions	5,900	33,190
Other social security costs	204,224	144,967
Salary costs transfered to development projects	-3,581,590	-4,016,118
	12,873,370	5,977,889
Average number of full-time employees	27	20

5 Other financial expenses

Interest expense to Group entities	27,114	234,820
Other financial costs	1,035,475	599,741
Exchange losses	160,422	36,148
	1,223,011	870,709

Financial statements 1 January – 31 December

Notes

6 Tax on profit/loss for the year

At 31 December 2021, the Company has a deferred tax asset of DKK 9.3 million, which is not recognised in the financial statements due to the uncertainty of when the tax loss will be utilised.

7 Intangible assets

DKK	Completed development projects
Cost at 1 January 2021	10,066,051
Additions for the year	9,549,416
Cost at 31 December 2021	19,615,467
Amortisation and impairment losses at 1 January 2021	-503,303
Impairment losses for the year	-1,990,775
Amortisation and impairment losses at 31 December 2021	-2,494,078
Carrying amount at 31 December 2021	17,121,389

8 Property, plant and equipment

DKK	Plant and machinery
Cost at 1 January 2021	247,684
Additions for the year	102,591
Cost at 31 December 2021	350,275
Depreciation and impairment losses at 1 January 2021	-135,611
Depreciation for the year	-56,539
Depreciation and impairment losses at 31 December 2021	-192,150
Carrying amount at 31 December 2021	158,125

Financial statements 1 January – 31 December

Notes

9 Investments

DKK	Equity investments in Group entities	Deposits	Total
Cost at 1 January 2021	212,076	167,678	379,754
Additions for the year	0	178,978	178,978
Cost at 31 December 2021	212,076	346,656	558,732
Carrying amount at 31 December 2021	212,076	346,656	558,732

Name/legal form	Registered office	Voting rights and ownership interest
Subsidiaries:		
Ocean UA, Ukraine	Ukraine	100%

DKK	31/12 2021	31/12 2020
10 Non-current liabilities		
Liabilities can be specified as follows:		
Payables to shareholders and Management:		
0-1 years	0	1,148,603
1-5 years	0	202,775
	0	1,351,378
Other payables:		
1-5 years	14,691,880	13,305,708
	14,691,880	13,305,708
Convertible and profit-sharing debt instruments:		
0-1 years	0	10,886,809
	0	10,886,809
Total liabilities	14,691,880	25,543,895

Financial statements 1 January – 31 December

Notes

11 Contractual obligations, contingencies, etc.

With Birrelista Services ApS, company reg. no. 38 46 74 76 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.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.