

Atiico ApS
c/o Henrik Enk, Askevænget 15, 1.tv., 2830 Virum

Company reg. no. 39 33 22 99

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 1 September 2020.

Henrik Enk
chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS 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 managing director has presented the annual report of Atiico ApS for the financial year 1 January - 31 December 2019.

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

I consider the accounting policies appropriate and, in my 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.

I am 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.

Virum, 31 August 2020

Managing Director

Henrik Enk

Independent auditor's report

To the shareholder of Atiico ApS

Opinion

We have audited the financial statements of Atiico ApS for the financial year 1 January - 31 December 2019, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity 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.

Frederiksberg, 31 August 2020

One Revision

Statsautoriseret Revisionspartnerselskab
Company reg. no. 39 09 02 79

Hans Grube

State Authorised Public Accountant
mne19760

Company information

The company	Atiico ApS c/o Henrik Enk Askevænget 15, 1.tv. 2830 Virum Company reg. no. 39 33 22 99 Financial year: 1 January 2019 - 31 December 2019 2nd financial year
Managing Director	Henrik Enk
Auditors	One Revision Statsautoriseret Revisionspartnerselskab Roskildevej 39, 3. sal 2000 Frederiksberg
Subsidiary	Atiico Inc., Temecula, California, USA
Associated enterprise	Avantiico Inc., Temecula, California, USA

Management commentary

The principal activities of the company

Like previous years, the principal activities are has been deliverence of services and to own investments in other companies as well as investment activities in general.

Development in activities and financial matters

The net profit or loss for the year after tax totals DKK 561.792 against DKK 1.204.335 last year. Management considers the net profit or loss for the year satisfactory.

Events occurring after the end of the financial year

It is management's assessment that the company's activities and liquidity resources will not be significantly affected by the Covid-19 outbreak.

Accounting policies

The annual report for Atiico 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.

Income statement

Gross profit

Gross profit comprises the revenue, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other external costs comprise costs incurred for sales and administration.

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.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Dividend from equity investments is recognised in the financial year in which the dividend is declared.

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.

Statement of financial position

Investments

Equity investments in group enterprise and associate

Equity investments in group enterprise and associate are measured at cost. If the recoverable amount is lower than the cost, writedown for impairment is done to match this lower value.

Accounting policies

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.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity. Proposed dividend is recognised as a liability at the time of approval by the annual general meeting (time of declaration).

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.

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.

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 than provisions

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

Income statement

All amounts in DKK.

<u>Note</u>	<u>1/1 - 31/12 2019</u>	<u>12/2 - 31/12 2018</u>
Gross profit	1.734.990	1.468.360
1 Staff costs	-1.030.189	0
Operating profit	704.801	1.468.360
Other financial income	61.277	99.817
Other financial costs	-43.158	-24.162
Pre-tax net profit or loss	722.920	1.544.015
2 Tax on net profit or loss for the year	-161.128	-339.680
Net profit or loss for the year	561.792	1.204.335
Proposed appropriation of net profit:		
Dividend for the financial year	43.000	0
Transferred to retained earnings	518.792	1.204.335
Total allocations and transfers	561.792	1.204.335

Statement of financial position at 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Assets		
Non-current assets		
Equity investment in group enterprise	659.737	0
Equity investment in associate	410.726	343.126
Total investments	<u>1.070.463</u>	<u>343.126</u>
Total non-current assets	<u>1.070.463</u>	<u>343.126</u>
Current assets		
Trade receivables	2.690	0
Receivables from associate	0	328.233
Other receivables	5.474	2.750
Total receivables	<u>8.164</u>	<u>330.983</u>
Cash on hand and demand deposits	<u>2.229.382</u>	<u>1.522.166</u>
Total current assets	<u>2.237.546</u>	<u>1.853.149</u>
Total assets	<u>3.308.009</u>	<u>2.196.275</u>

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2019</u>	<u>2018</u>
Equity		
Contributed capital	50.000	50.000
Retained earnings	1.723.127	1.204.335
Proposed dividend for the financial year	43.000	0
Total equity	<u>1.816.127</u>	<u>1.254.335</u>
Liabilities other than provisions		
3 Convertible and profit sharing debt instruments	<u>606.510</u>	<u>602.260</u>
Total long term liabilities other than provisions	<u>606.510</u>	<u>602.260</u>
Trade payables	20.000	0
Payables to shareholders and management	84.884	0
Income tax payable	161.128	339.680
Other payables	<u>619.360</u>	<u>0</u>
Total short term liabilities other than provisions	<u>885.372</u>	<u>339.680</u>
Total liabilities other than provisions	<u>1.491.882</u>	<u>941.940</u>
Total equity and liabilities	<u>3.308.009</u>	<u>2.196.275</u>

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 12 February 2018	50.000	0	0	50.000
Retained earnings for the year	0	1.204.335	0	1.204.335
Equity 1 January 2019	50.000	1.204.335	0	1.254.335
Retained earnings for the year	0	518.792	43.000	561.792
	50.000	1.723.127	43.000	1.816.127

Notes

All amounts in DKK.

	1/1 - 31/12 2019	12/2 - 31/12 2018
	<u> </u>	<u> </u>
1. Staff costs		
Salaries and wages	1.029.905	0
Other costs for social security	284	0
	<u>1.030.189</u>	<u>0</u>
Average number of employees	<u>1</u>	<u>1</u>
2. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	<u>161.128</u>	<u>339.680</u>
	<u>161.128</u>	<u>339.680</u>
	<u>31/12 2019</u>	<u>31/12 2018</u>
3. Convertible and profit sharing debt instruments		
Convertible and profit-sharing debt instruments	<u>606.510</u>	<u>602.260</u>
	606.510	602.260
Share of amount due within 1 year	<u>0</u>	<u>0</u>
	<u>606.510</u>	<u>602.260</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>

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Henrik Enk

Direktør

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Hans Christian Grube

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