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Jamii ApS

Vesterbrogade 26, 1620 København V

Company reg. no. 39 85 55 18

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 7 July 2021.

Charlotte Lunden Rønje
Chairman of the meeting

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 %.

Contents

Management's report

Today, the executive board has presented the annual report of Jamii ApS for the financial year 1 January - 31 December 2020.

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 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

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.

København V, 7 July 2021

Executive board

Charlotte Lunden Rønje

Daniel Brøndum Torp

Independent auditor's report

To the shareholders of Jamii ApS

Opinion

We have audited the financial statements of Jamii ApS for the financial year 1 January - 31 December 2020, 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 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 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 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, 7 July 2021

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

Anders Flymer-Dindler
State Authorised Public Accountant
mne35423

Company information

The company	Jamii ApS Vesterbrogade 26 1620 København V	
	Company reg. no.	39 85 55 18
	Financial year:	1 January - 31 December
Executive board	Charlotte Lunden Rønje Daniel Brøndum Torp	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	

Management commentary

The principal activities of the company

People

The word Jamii is Swahili referring to community because Jamii.one is a digital community built with and for people, specifically, the world's poorest with a vision of a world without poverty. As a social enterprise, Jamii.one offers a digital platform that leverages financial data to facilitate financial inclusion. In 2020, 5,000 users got a free tool to make their community savings recordkeeping more efficient, transparent, and accurate with the Jamii.one app (Jamiipay). Even though most of these users do not own a smartphone, with Jamii.one they were all able to create a digital profile and start documenting their financial track record through their community savings activities. Jamii.one enabled 74 low-income people to get access to small loans (approx. 1,000 DKK). These loans allowed users to expand or rebuilt their small shops or production, after months of COVID-lockdown in Ethiopia. In 2020, Jamii.one won the price for Financial Inclusion from Nordic Fintech Awards.

Planet

There is a direct correlation between decreased poverty and decrease in family size meaning that by reducing poverty, we are creating a sustainable pipeline of people that the planet will have to sustain in the long term. The Jamii.one technology relies on smartphone, but one smartphone is enough for a group of 20 (or even 150) reducing people's need for smartphones for financial inclusion compared to other solution. In 2020, the digital services run by Jamii.one have been built to minimise energy consumption and are running in datacentres that have a high utilisation of renewable energy. Management is conscious of using datacentres that maximises an environmentally friendly infrastructure.

Profit

Jamii.one's business model builds on sale of software and data B2B focused on the financial and developmental sectors. The focus of 2020 was to gain the needed userbase to attract investors, become relevant for the financial sector and win the development market, as well as to test the full model (closed loop) and secure funding.

Development in activities and financial matters

The gross loss for the year totals DKK against DKK last year. Income or loss from ordinary activities after tax totals DKK against DKK last year. The development must be seen in light of the fact that, according to the annual report 2019, the company expected a gross profit for 2020 in the region of DKK and income or loss from ordinary activities after tax of DKK . Management considers the net profit or loss for the year satisfactory.

Management commentary

Expected developments

COVID-19 has pushed up the agenda for a digital solution for all sectors including the developmental sector. The development sector directly facilitate more than 25 million people in savings groups around the world. Timing and team are in place, and Jamii.one is market leader with the highest number of NGO group users and strongest implementation organisation. Jamii.one is doing small-scale roll-out with 20+ international NGOs providing the basis for evaluation and decision making at HQ level. This way, Jamii.one is in position to become the preferred platform and start subscription sales in Q3 2021. The closed-loop loans pilot is evidence of the quality of Jamii.one data and will enable scaled partnerships with financial service providers in 2021. These discussions and contract drafting are taking place.
The strategic focus of 2021 will be users, funding, and sales. In 2020, Jamii.one had 0 revenue. Now Jamii.one has a service and data to sell to NGOs and FSPs to prove the validity of Jamii.one as a global SaaS provider for financial inclusion.

Events occurring after the end of the financial year

In 2021 Jamii has entered into agreements on additional funding. No other events significantly affecting the financial position at 31 December 2020 has occured.

Accounting policies

The annual report for Jamii 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 loss

Gross loss comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

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 operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

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 are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

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.

Accounting policies

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Accounting policies

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments and accrued income

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

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2020	2019
	Gross profit	**-21.892**	**-10.731**
1	Staff costs	-71.050	-37.166
	Operating profit	**-92.942**	**-47.897**
	Other financial income	50.047	6
	Other financial costs	-2.395	-2.899
	Pre-tax net profit or loss	**-45.290**	**-50.790**
	Tax on net profit or loss for the year	9.752	11.000
	Net profit or loss for the year	**-35.538**	**-39.790**
	Proposed appropriation of net profit:		
	Allocated from retained earnings	-35.538	-39.790
	Total allocations and transfers	**-35.538**	**-39.790**

Statement of financial position at 31 December

All amounts in DKK.

Assets

Note		2020	2019
	Non-current assets		
	Development projects in progress and prepayments for intangible assets	2.746.751	1.019.077
	Total intangible assets	2.746.751	1.019.077
	Deposits	13.000	0
	Total investments	13.000	0
	Total non-current assets	**2.759.751**	**1.019.077**
	Current assets		
	Income tax receivables	380.088	235.000
	Other receivables	93.263	0
	Prepayments and accrued income	17.563	0
	Total receivables	490.914	235.000
	Cash on hand and demand deposits	99.054	272.465
	Total current assets	**589.968**	**507.465**
	Total assets	**3.349.719**	**1.526.542**

Statement of financial position at 31 December

All amounts in DKK.

Note	Equity and liabilities	2020	2019
	Equity		
	Contributed capital	57.939	57.939
	Share premium	1.103.521	1.103.521
	Reserve for development costs	2.142.466	795.077
	Retained earnings	-2.217.795	-834.867
	Total equity	**1.086.131**	**1.121.670**
	Provisions		
	Provisions for deferred tax	594.336	224.000
	Total provisions	**594.336**	**224.000**
	Liabilities other than provisions		
	Trade payables	15.013	44.221
	Payables to shareholders and management	1.449.900	99.900
	Other payables	204.339	36.751
	Total short term liabilities other than provisions	1.669.252	180.872
	Total liabilities other than provisions	**1.669.252**	**180.872**
	Total equity and liabilities	**3.349.719**	**1.526.542**
2	**Charges and security**		
3	**Contingencies**		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Reserve for development costs	Retained earnings	Total
Equity 1 January 2020	57.939	1.103.521	795.077	-834.868	1.121.669
Retained earnings for the year	0	0	0	-35.538	-35.538
Transferred from distributable reserves	0	0	1.347.389	-1.347.389	0
	57.939	**1.103.521**	**2.142.466**	**-2.217.795**	**1.086.131**

Notes

All amounts in DKK.

		2020	2019
1.	**Staff costs**		
	Salaries and wages	50.338	30.131
	Other costs for social security	20.712	7.035
		71.050	**37.166**
	Average number of employees	2	1

2. Charges and security

The Company has no charges or security as of 31 December 2020.

3. Contingencies

Contingent liabilities

	DKK in thousands
Total contingent liabilities	13.000