

**ACHIKO AG  
AND ITS SUBSIDIARIES**

INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
AS OF JUNE 30, 2020, AND DECEMBER 31, 2019  
AND FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2020 AND 2019

**Achiko AG and Its Subsidiaries**  
**Interim Consolidated Financial Statements**  
**June 30, 2020**

**B U S I N E S S R E V I E W**

The first half of 2020 was an unprecedented period with unforeseeable events ranging from a global pandemic, civil unrest to recession. In this context, our priority has been to focus on our customers, employees, and the communities in which Achiko operates. Achiko delivered on its commitments to its customers and provided a wide range of support. Achiko moved quickly to protect its employees, switching early to home office. Achiko is pleased that its actions have increased trust and confidence in Achiko among customers and employees alike.

Achiko used the Covid-19 outbreak to develop its Covid-19 testing and contact tracing platform Teman Sehat (“Health Buddy”). The platform has been launched in June 2020 in the areas of South Tangerang and Pekanbaru, Indonesia, as approved by the Indonesian Government. In August 2020, Achiko filed a provisional patent for a novel DNA aptamer and a saliva Covid-19 test kit. A license agreement with Regenacellx.sl has been signed which grants Achiko the commercialisation rights in exchange for a royalty and technical advice. The test kit delivers results in minutes and the testing experience is comparable to brushing one’s teeth. Sold alone or combined with Achiko’s pandemic management platform Teman Sehat, the Company believes that the technology plays a crucial role in resolving the world’s problem with the pandemic.

The revenue of the reporting period does not reflect any revenue of the new businesses. The disclosed revenue reflects the existing payment service business which has been affected by the overall market uncertainty in 2020, Achiko generated revenue of USD 2.7 million in the first half year of 2020, a decline of 24.6% compared with USD 3.6 million the same period last year. Despite the revenue decline, gross profit has been improved to USD 0.4 million compared to minus USD 0.2 million in the first half of 2019, mainly driven by special effects.

Operating expenses increased strongly in the first half of 2020, explained by higher administrative expenses. Administrative expenses increased to USD 5.3 million compared to USD 0.9 million in the first half of 2019 by higher (i) share option expenses of USD 3.2 million due to increased number of vested shares, (ii) professional fees and (iii) salaries and wages due to the organizational build-up for the preparation of the Covid-19 contract tracing platform and test kit technology businesses.

The higher gross profit has been overcompensated by higher operating expenses which resulted in a loss of USD 5.0 million in the first half of 2020 in comparison to a loss of USD 1.1 million in the first half of 2019.

Achiko entered into agreements with different investors and secured financings with share subscription, convertible notes, and others measures such as (i) a subscription form with PT Media Nusantara Citra Tbk of USD 2 million and (ii) a convertible note with Negma Group Ltd of USD 2 million. Achiko is in the process of issuing shares from the authorized share capital.

Since the start of the Covid-19 crisis Achiko focused on understanding the steps needed to drive the business forward. Achiko is well placed to adapt quickly in a very dynamic and uncertain scenario, and therefore remain fully committed to its strategy. While operating environment changes, Achiko remains confident in the strength of its business, strategy, and ability to adapt to changing needs.

**Achiko AG and Its Subsidiaries**  
**Interim Consolidated Financial Statements**  
**June 30, 2020**

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**ACHIKO AG AND ITS SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2020, AND DECEMBER 31, 2019**  
**(Expressed in United States Dollar, unless otherwise stated)**

	<u>Notes</u>	<u>June 30, 2020</u>	<u>December 31, 2019</u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property and equipment	9	20,504	19,923
Goodwill	10	1,604,061	1,559,540
Deferred tax assets		94,395	96,837
Other receivable	12	100,000	100,000
Rental deposit		16,902	15,547
<b>Total Non-Current Assets</b>		<b><u>1,835,862</u></b>	<b><u>1,791,847</u></b>
<b>Current Assets</b>			
Prepaid expenses and advances	11	680,033	816,816
Prepaid tax		52,581	66,167
Trade and other receivables	12	454,882	1,609,823
Cash on hand and in banks	13	86,249	593,157
<b>Total Current Assets</b>		<b><u>1,273,745</u></b>	<b><u>3,085,963</u></b>
<b>TOTAL ASSETS</b>		<b><u><u>3,109,607</u></u></b>	<b><u><u>4,877,810</u></u></b>

See accompanying Notes to the Interim Consolidated Financial Statements  
on Exhibit E which are an integral part of  
the Interim Consolidated Financial Statements taken as a whole

**ACHIKO AG AND ITS SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2020, AND DECEMBER 31, 2019**  
(Expressed in United States Dollar, unless otherwise stated)

	<u>Notes</u>	<u>June 30, 2020</u>	<u>December 31, 2019</u>
<b>LIABILITIES AND EQUITY</b>			
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	16	942,562	91,382
Share premium	16	9,152,342	11,220,522
Other reserves	16	4,573,700	1,371,718
Accumulated losses		<u>(15,816,173)</u>	<u>(10,774,111)</u>
<b>Total equity attributable to owners of the Company</b>		<u><b>(1,147,569)</b></u>	<u><b>1,909,511</b></u>
<b>Total Equity (Capital Deficiency)</b>		<u><b>(1,147,569)</b></u>	<u><b>1,909,511</b></u>
<b>LIABILITIES</b>			
<b>Non-current Liability</b>			
Post-employment benefit liabilities		<u>23,955</u>	<u>24,575</u>
<b>Current Liabilities</b>			
Trade and other payables	15	2,218,370	2,451,871
Accrued expenses	14	1,950,900	473,799
Tax payables		<u>63,951</u>	<u>18,054</u>
<b>Total Current Liabilities</b>		<u><b>4,233,221</b></u>	<u><b>2,943,724</b></u>
<b>Total Liabilities</b>		<u><b>4,257,176</b></u>	<u><b>2,968,299</b></u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><u><b>3,109,607</b></u></u>	<u><u><b>4,877,810</b></u></u>

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**ACHIKO AG AND ITS SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2020, AND 2019**  
**(Expressed in United States Dollar, unless otherwise stated)**

	Notes	June 30, 2020	June 30, 2019
Revenue	5	2,701,687	3,581,959
Cost of revenue		(2,277,518)	(3,758,180)
<b>GROSS PROFIT (LOSS)</b>		<b>424,169</b>	<b>(176,221)</b>
<b>OPERATING EXPENSES</b>			
Marketing and distribution expenses		(63,330)	(66,948)
Administrative expenses	6	(5,280,055)	(859,146)
Research and product development expenses		(153,128)	-
Other operating income (expenses)	7	30,282	(10,717)
<b>Loss from operation</b>		<b>(5,042,062)</b>	<b>(1,113,031)</b>
Interest expense		-	-
<b>Loss before tax</b>		<b>(5,042,062)</b>	<b>(1,113,031)</b>
Income tax benefit (expense)		-	-
<b>LOSS FOR THE YEAR</b>		<b>(5,042,062)</b>	<b>(1,113,031)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Item that may be reclassified subsequently to profit or loss:			
Exchange gain arising from translation of foreign operations		13,531	164,478
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(5,028,531)</b>	<b>(948,553)</b>

See accompanying Notes to the Interim Consolidated Financial Statements on Exhibit E which are an integral part of the Interim Consolidated Financial Statements taken as a whole

**ACHIKO AG AND ITS SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2020, AND 2019**  
(Expressed in United States Dollar, unless otherwise stated)

	Equity attributable to the owners of the Parent Company						Non- controlling interest	Total Equity
	Notes	Share capital	Share premium	Other reserves	Accumulated losses	Total		
Balance as of January 1, 2019		76,356	3,149,424	31,656	(3,882,927)	(625,491)	-	(625,491)
Issuance of share capital	16	5,934	611,788	-	-	617,722	-	617,722
Loss for the year		-	-	-	(1,113,031)	(1,113,031)	-	(1,113,031)
Other comprehensive income		-	-	(7,224)	164,478	157,254	-	157,254
<b>Balance as of June 30, 2019</b>		<b>82,290</b>	<b>3,761,212</b>	<b>24,432</b>	<b>(4,831,480)</b>	<b>(963,546)</b>	-	<b>(963,546)</b>
Balance as of January 1, 2020		91,382	11,220,522	1,371,718	(10,774,111)	1,909,511	-	1,909,511
Redenomination of share capital	16	852,930	(852,930)	-	-	-	-	-
Reversal of shares subscribed	16	(1,750)	(1,215,250)	-	-	(1,217,000)	-	(1,217,000)
Share options to employees		-	-	3,188,451	-	3,188,451	-	3,188,451
Loss for the year		-	-	-	(5,042,062)	(5,042,062)	-	(5,042,062)
Other comprehensive income		-	-	13,531	-	13,531	-	13,531
<b>Balance as of June 30, 2020</b>		<b>942,562</b>	<b>9,152,342</b>	<b>4,573,700</b>	<b>(15,816,173)</b>	<b>(1,147,569)</b>	-	<b>(1,147,569)</b>

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**ACHIKO AG AND ITS SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2020, AND 2019**  
**(Expressed in United States Dollar, unless otherwise stated)**

	<u>Notes</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipt from customers		2,985,604	4,265,718
Cash paid to employees, suppliers and others		(3,568,224)	(3,884,356)
<b>Net Cash Provided by/(Used in) Operating Activities</b>		<b>(582,620)</b>	<b>381,362</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment		(10,637)	(42,708)
Payment for acquisition of subsidiaries, net of cash acquired		-	(1,674,498)
<b>Net Cash Used in Investing Activities</b>		<b>(10,637)</b>	<b>(1,717,206)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Deposit on share subscription		99,069	-
Issuance of share capital		-	1,315,226
<b>Net Cash Provided by Financing Activities</b>		<b>99,069</b>	<b>1,315,226</b>
<b>NET DECREASE IN CASH ON HAND AND IN BANKS</b>		<b>(494,188)</b>	<b>(20,618)</b>
Effect of exchange rate changes in cash on hand and in banks		(12,720)	-
<b>CASH ON HAND AND IN BANKS AT BEGINNING OF THE YEAR</b>		<b>593,157</b>	<b>182,523</b>
<b>CASH ON HAND AND IN BANKS AT END OF THE YEAR</b>		<b>86,249</b>	<b>161,905</b>

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## 1. GENERAL INFORMATION

Achiko AG (the Company) is a public listed Company originally established on May 25, 2018 at Cayman Island and listed on the SIX Swiss Exchange since November 8, 2019.

Effective June 18, 2020, the Company: (i) relocated its domicile to Zurich, Switzerland; (ii) re-incorporated under the laws of Switzerland; and (iii) changed its name from Achiko Limited to Achiko AG.

The Company's address is at Lavaterstrasse 66, 8002 Zürich, Switzerland.

On June 27, 2020, the Company concluded an acquisition of Achiko Switzerland AG ("ACH"). In 2018, the Company concluded several acquisitions, including: (i) acquisition of "Mimopay" payment platform through various legal entities - Gamespark Interactive Limited ("GP"), Globimedia Network Pte. Ltd. ("GMN"), and PT Progressivmedia Indonesia ("PTPI"); and (ii) acquisition of Kryptonite Korea Co., Ltd. ("KN").

Achiko AG and its Subsidiaries (the Group) provides secure payment solution for game publishers and application developers to accept various payment method for any digital contents and goods through "Mimopay" brand, and digital platform services.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a. Basis of Preparation of the Financial Statements

The interim consolidated financial statements for the six months ending June 30, 2020 have been prepared in accordance with IAS 34 'Interim Financial Reporting'.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as of December 31, 2019.

Functional and presentation currency used in the preparation of the interim consolidated financial statements is the United States Dollar (USD).

### b. New Standards, Interpretations and Amendments Effective from January 1, 2020

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2019, except for the adoption of new standards effective as of January 1, 2020.

The following new standards, interpretations, and amendments, effective from January 1, 2020, which do not have substantial changes to the Group's accounting policies and had no material impact on the interim consolidated financial statements:

- Revised Conceptual Framework for Financial Reporting
- IFRS 3 "Business Combinations (Amendment - Definition of Business)"
- IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors (Amendment - Definition of Material)"
- Amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform"
- Amendment to IFRS 16 "Covid-19-Related Rent Concessions" - Effective June 1, 2020

### c. Foreign Currency

The rates used to translate foreign subsidiaries' balances and transactions are as follows:

	Income statement average rates		Balance sheet period-end rates	
	First half-year 2020	First half-year 2019	June 30, 2020	December 31, 2019
In United States Dollars (USD)				
Indonesian Rupiah (IDR)	14,599.57	14,196.84	14,260.59	14,130.19
Hongkong Dollars (HKD)	7.76	7.84	7.75	7.81
Korean Won (KRW)	1,206.19	1,145.86	1,200.67	1,154.95
Swiss Franc (CHF)	0.97	-	0.95	-

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### 3. SIGNIFICANT ACCOUNTING ESTIMATION AND JUDGMENTS

#### **Covid-19 Outbreak**

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (the “Covid-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the Covid-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the Covid-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Group’s financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, industry, and workforce. Given the daily evolution of the Covid-19 outbreak and the global responses to curb its spread, the Group is not able to estimate the effects of the Covid-19 outbreak on its results of operations, financial condition, or liquidity for the period ended June 30, 2020.

The Covid-19 outbreak has impacted the routine operation of the Group. However, the Group has taken necessary and controllable actions to protect the Group’s business from severe impact.

The Company has developed a Covid-19 testing and contact tracing platform Teman Sehat (“Health Buddy”). The platform has been launched in June 2020 in the areas of South Tangerang and Pekanbaru, Indonesian, as approved by the Indonesian Government. In August 2020, the Company filed a provisional patent for a novel Covid-19 test kit and entered into a license agreement with Regenacellx.sl which grants commercialisation rights in exchange for a royalty and technical advice. Selling alone the test kits or combined with its platform Teman Sehat, the Company believes that the technology plays a crucial role in resolving the world’s problem with the pandemic.

Although the Group cannot estimate the length or gravity of the impact of the Covid-19 outbreak at this time, if the pandemic continues, it may have an impact on its existing payment service business. Contrarily, the Group’s expects positive impact from the contract tracing platform Teman Sehat and the test kit technology businesses.

#### **Going Concern**

As of June 30, 2020, the Group has recorded a net loss of USD 5,042,062 and this resulted to an increase in the Group’s accumulated losses to become USD 15,816,173 on such date. Further, the ongoing Covid-19 crisis may continue to impact the business, with the Covid-19 pandemic creating disruption in global supply chains and adversely impacting many industries including the Group’s operations. These conditions cause uncertainty over the Group’s ability to continue as a going concern.

The board and management regularly assess the Group’s ability to continue as a going concern and is of the opinion that the Group is to be viewed as continuing in business for the foreseeable future. Thus, the interim consolidated financial statements have been prepared on a going concern basis.

The Group is still in a build-up phase and the ability to continue as going concern depends on successful fundraising and further development of operational and investment business activities. Currently, the Group has entered into agreements with different potential investors and secured the financing with share subscriptions, convertible notes, and other measures such as (i) a subscription form with PT Media Nusantara Citra Tbk (MNC) of USD 2 million and (ii) a convertible note with Negma Group Ltd of USD 2 million.

The MNC subscription is related to a media placement agreement over 2 years and will not have an immediate cash impact. The convertible note with Negma provides liquidity to the Company based on the Company drawing requests.

Further financing measures have been committed and the Company is in the process of issuing shares from the authorized share capital in which payables are partly converted into shares.

The Company also disposed its convertible note from PT Empat Kali Indonesia in August 2020 and has received its initial investment of USD 100,000.

Additionally, the Group continues to evaluate business strategies in terms of offering services by way of customer relationship management, improving digital platform services and supporting technology innovations for Covid-19, and evaluate financial management including emergency funds and financial support from the shareholders.

Management believes that the digital platform industry continues to grow, with the government support and supporting industries. With the implementation of the Group’s strategies, management believes that the Group’s performance can gradually improve both financially and operationally.

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#### 4. BUSINESS COMBINATIONS

##### Business Combination During the Year - Achiko Switzerland AG

On June 27, 2020, the Company acquired 100% of the voting equity instruments of Achiko Switzerland AG, a digital platform services company. The total cash consideration is CHF 100,000 (USD105,601).

The fair value of the assets and liabilities as at the date of acquisition are as follows:

	<u>Fair Value Recognized at Acquisition Date</u>
Trade and other receivables	319,318
Cash on hand and in banks	8,616
Trade and other payables	(247,882)
Tax payables	(18,972)
Fair value of net assets on acquisition date	<u>61,080</u>
Share consideration transferred	<u>105,601</u>
<b>Goodwill arising from acquisition</b>	<b><u>44,521</u></b>

Total transaction costs amounting to USD 4,950 related to the acquisition is recognized as part of “Administrative expenses” in the interim consolidated statement of profit or loss and other comprehensive income.

The carrying amount of trade and other receivables at acquisition approximate their fair value. At the acquisition date, the contractual cash flows pertaining to trade receivables are expected to be collected.

The goodwill of USD 44,521 comprises the technological development of the Swiss and European market.

None of the goodwill recognized is expected to be deductible for income tax purposes.

As a result of the acquisition, the Company is expected to have a development capability in Switzerland.

If the acquisition had occurred on January 1, 2020, this would have no material impact on the Group revenue and profit for the period.

#### 5. REVENUE

In June 2020 and 2019, revenue generated was from the payment service business through different payment channels, including Telco vouchers, ATM payments, and game cards and vouchers. These channels are used in paying certain digital goods and services.

#### 6. ADMINISTRATIVE EXPENSES

This account consists of:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Professional fees	924,954	349,547
Salaries and wages	849,870	179,820
Share option expense	3,188,451	-
Directors' remuneration	87,285	-
Travel and transportation	22,296	8,797
Rent	30,998	16,447
Service fees	6,828	65,189
Post-employment benefit expense	3,556	28,492
Depreciation and amortization (Notes 10 and 11)	17,475	1,598
Others	148,342	209,256
<b>Total</b>	<b><u>5,280,055</u></b>	<b><u>869,146</u></b>

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**7. OTHER OPERATING INCOME (EXPENSES)**

This account consists of:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Listing expenses	(169,268)	-
Foreign exchange losses	(12,647)	-
Bank administration	(6,115)	-
Interest income	94	-
Miscellaneous income (expenses)	218,218	(10,717)
<b>Total</b>	<b><u>30,282</u></b>	<b><u>(10,717)</u></b>

Listing expenses include investor relation, legal and regulatory, and other expenses related to the Company's listing at the SIX Swiss Exchange.

**8. LOSS PER SHARE**

The computation of loss per share for the reporting period ended June 30, 2020, and December 31, 2019, is as follow:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
Loss for the year	(5,042,062)	(1,113,032)
Outstanding weighted average number of shares during the year	<u>89,632,142</u>	<u>47,288,141</u>
<b>Basic loss per share</b>	<b>(0.06)</b>	<b>(0.02)</b>

As of June 30, 2020, and December 31, 2019, the Company does not have any potentially dilutive ordinary shares.

The 8,179,157 and 4,203,646 vested shares options granted to employees as of June 30, 2020 and December 31, 2019, respectively, have not been included in the calculation of diluted earnings per share because they are considered anti-dilutive for the calculation of loss per share.

**9. PROPERTY AND EQUIPMENT**

The details and movement of property and equipment are as follows:

	<u>June 30, 2020</u>			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Exchange differences</u>	<u>Ending balance</u>
<b>Cost</b>				
Computer	1,196	-	-	1,196
Office equipment	<u>38,895</u>	<u>10,637</u>	<u>(2,390)</u>	<u>47,142</u>
Sub-total	<u>40,091</u>	<u>10,637</u>	<u>(2,390)</u>	<u>48,338</u>
<b>Accumulated Depreciation</b>				
Computer	33	199	-	232
Office equipment	<u>20,135</u>	<u>9,054</u>	<u>(1,587)</u>	<u>27,602</u>
Sub-total	<u>20,168</u>	<u>9,253</u>	<u>(1,587)</u>	<u>27,834</u>
<b>Net Book Value</b>	<b><u>19,923</u></b>			<b><u>20,504</u></b>

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**9. PROPERTY AND EQUIPMENT (Continued)**

	December 31, 2019			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Exchange differences</u>	<u>Ending balance</u>
<b>Cost</b>				
Computer	-	1,196	-	1,196
Office equipment	38,305	1,251	(661)	38,895
Sub-total	38,305	2,447	(661)	40,091
<b>Accumulated Depreciation</b>				
Computer	-	33	-	33
Office equipment	10,557	11,121	(1,543)	20,135
Sub-total	10,557	11,154	(1,543)	20,168
<b>Net Book Value</b>	<b>27,748</b>			<b>19,923</b>

Depreciation expense in 2020 and 2019 are charged to administrative expenses in the interim consolidated statement of profit or loss and other comprehensive income (Note 6).

Management believes that the carrying amount of property and equipment are recoverable and there are no events or changes in circumstances which may indicate impairment; therefore, no provision for impairment of property and equipment was provided.

**10. GOODWILL AND IMPAIRMENT**

The Group has Goodwill of USD 1,604,061 as of June 30, 2020 which has been increased by USD 44,521 from December 31, 2019 due to the acquisition of Achiko Switzerland AG.

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value-in-use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

PT Progressivemedia Indonesia (PTPI), Gamespark Interactive Limited (GP) and Globimedia Network Pte Ltd (GMN) are the legal entities, but support a common economic entity being a payment platform Mimopay, PTPI collects the cash and has contracts in Indonesia, but it is GMN and GP that pays merchants. The economic substance of the three legal entities have to be regarded as one unit. Kryptonite and Achiko Switzerland do not generate cash inflows that are largely independent from the Group at this stage. Mimopay, Kryptonite and Achiko Switzerland are part of the Group. Therefore, the cash flow projections of the plain Mimopay business are used as basis to assess the goodwill of the Group.

The impairment test for the 2019 Annual Financial Statements considered the effect of the Memorandum of Understanding (MOU) with PT Huawei Tech (Note 23 of the 2019 Annual Financial Statement) for Mimopay. However, the MOU has not been entered into a final agreement. A re-assessment of the cash flow projections of the 5 years period to December 2024 has been prepared and has been the basis for an impairment test June 30, 2020.

Key assumptions are as follows:

- Revenue projections are based on past performance of the Mimopay business itself and has been benchmarked with external projections of the Asian payment market which results in an annual growth rate of 9.7% for the plain Mimopay business. Based on the overall insecurity for 2020 a reduced growth rate has been considered.
- Gross profit margin and operating expenses based on past performance and a moderate growth rate of the operating expenses is considered reflecting the characteristic of platform businesses.
- Discount rate of 10.7% has been used considering additional a country risk premium for the exposure to Indonesia, where the majority of the Mimopay business takes place and a size premium to reflect the size of the Group.

A long-term growth rate of 2% has been considered based on internal estimates and a benchmark with external research.

Based on the impairment test conducted, no impairment was recognized for the reporting period.

With an annual growth rate of 6.7% the net asset value is still covered which defines the sensitivity to the annual growth rate until minus 29%.

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**11. PREPAID EXPENSES AND ADVANCES**

This account consists of:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
Advances	1,692	101,937
Prepayment	28,341	56,656
Prepaid expenses:		
Advertising	650,000	650,000
Accelerators start-ups	-	8,222
<b>Total</b>	<b><u>680,033</u></b>	<b><u>816,815</u></b>

**12. TRADE AND OTHER RECEIVABLES**

This account consists of:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
Trade receivables	405,882	392,052
Other receivables		
Shareholder	-	1,217,000
Others	49,000	-
Total current trade and other receivables	454,882	1,609,052
Other non-current receivable	100,000	100,000
<b>Total</b>	<b><u>554,882</u></b>	<b><u>1,709,052</u></b>

In 2020, the Company reversed receivables to shareholders on the assessment that the subscription will not materialize.

Other non-current receivable pertains to the amount advanced to PT Empat Kali Indonesia based on the convertible note agreement entered on November 15, 2019. In August 2020, the convertible note has been repaid and the Company has received the total amount of USD 100,000.

**13. CASH ON HAND AND IN BANKS**

This account consists of:

	<u>30 June 2020</u>	<u>31 December 2019</u>
Cash on hand	341	1,205
Cash in banks		
United States Dollar	13,921	286,262
Indonesian Rupiah	58,026	267,798
Korean Won	1,446	28,778
Singapore Dollar	3,874	9,063
Swiss Franc	8,616	-
Hong Kong Dollar	25	51
Sub-total	85,908	591,952
<b>Total</b>	<b><u>86,249</u></b>	<b><u>593,157</u></b>

**14. ACCRUED EXPENSES**

As of June 30, 2020, the position consists of accruals for professional fees USD 633,734, and for suppliers and merchants USD 1,317,166. As of December 31, 2019, the amount of USD 473,799 included accruals for salaries, professional fees, and others.

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**15. TRADE AND OTHER PAYABLES**

This account consists of:

	<u>30 June 2020</u>	<u>31 December 2019</u>
Trade payables	2,059,921	2,223,540
Other payables	158,449	228,330
<b>Total</b>	<b><u>2,218,370</u></b>	<b><u>2,451,870</u></b>

**16. SHARE CAPITAL AND OTHER RESERVES****Share Capital**

	<u>June 30, 2020</u>		<u>December 31, 2019</u>	
	<u>Number of Shares</u>	<u>USD</u>	<u>Number of Shares</u>	<u>USD</u>
<b>Issued ordinary shares</b>				
At the inception date	2	0	2	0
Issued for cash	16,524,257	16,524	16,524,257	16,524
Issued for non-cash	73,107,883	73,108	73,107,883	73,108
Redenomination of shares	-	852,930	-	-
<b>Subscribed ordinary Shares</b>	<u>-</u>	<u>-</u>	<u>1,750,000</u>	<u>1,750</u>
<b>Total</b>	<b><u>89,632,142</u></b>	<b><u>942,562</u></b>	<b><u>91,382,142</u></b>	<b><u>91,382</u></b>

The Company has 89,632,142 outstanding shares. In addition, the Company has 17,926,428 shares as authorized share capital and 22,412,035 shares as conditional share capital from which are 13,448,821 shares are allocated for employee participations and 8,963,214 shares for financing, acquisitions and other purposes as of June 30, 2020.

In 2020, as a result of the re-incorporation of the Company under Swiss law, the share capital is redenominated from US\$0.001 par value per share to CHF0.01 par value per share.

On July 10, 2019, the Company signed with Indogulf Group Limited a subscription note of USD 3 million face value, payable 7 days after listing at a price of USD 0.70 per share. As of December 31, 2019, an amount of USD 1.2 million from the subscription note has been pending and recorded as "other receivables from shareholders" and disclosed as part of the share capital and share premium. In 2020, the Company reversed the subscribed ordinary shares and shareholder receivable amounting to USD 1.2 million on the assessment that the subscription will not materialize.

**Share Premium**

Details of share premium are as follows:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
<b>Share premium from issued ordinary shares</b>		
Issued for cash	6,804,398	6,804,398
Issued for non-cash	3,200,874	3,200,874
Redenomination of shares	(852,930)	-
<b>Share premium from subscribed ordinary shares</b>	<u>-</u>	<u>1,215,250</u>
<b>Total</b>	<b><u>9,152,342</u></b>	<b><u>11,220,522</u></b>

**Employee share option reserve**

The Company granted a total of 12,861,042 share options as of June 30, 2020. Vested share options as of June 30, 2020, and December 31, 2019 amounted to 8,179,159 and 4,203,646, respectively.

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**16 SHARE CAPITAL AND OTHER RESERVES (Continued)**

These fair values for share options granted during the year were calculated using The Black-Scholes pricing model. The inputs into the model were as follows:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
Weighted average share price	USD 0.556	USD 0.700
Expected volatility	277%	13.93%
Risk free rate	1.94%	6.46%

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices.

**17. EVENTS AFTER THE REPORTING DATE**

The Group has signed a convertible note with Negma Group Ltd of USD 2 million, dated July 16, 2020. In addition, further financing measures have been committed and the Company is in the process of issuing shares from the authorized share capital.

In August 2020, the Company filed a provisional patent for a novel DNA aptamer and a saliva Covid-19 test kit and holds the commercialisation rights in exchange for a royalty and technical advice based on a signed license agreement with Regenacellx.sl.

In August 2020, the Company disposed its convertible note from PT Empat Kali Indonesia and has received its initial investment of USD 100,000.

**18. AUTHORIZATION OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The interim consolidated financial statements have been authorized for issue by the Board of Directors of the Company, who are responsible for the preparation and completion of the interim consolidated financial statements, on September 25, 2020.