

**STEINWURF APS**

**NIELS JERNES VEJ 10, 9220 AALBORG Ø**

**ANNUAL REPORT**

**1. JULI 2019 - 30. JUNI 2020**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 30 November 2020**

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**Salvatore Metrangolo**

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## COMPANY DETAILS

<b>Company</b>	Steinwurf ApS Niels Jernes Vej 10 9220 Aalborg Ø
CVR no.:	33 57 66 41
Established:	11 March 2011
Registered Office	Aalborg
Financial Year:	1 July 2019 - 30 June 2020
<b>Board of Directors</b>	Giustino de Sanctis, Chairman Salvatore Metrangolo Gianmarco Tasca Morten Videbæk Pedersen
<b>Board of Executives</b>	Morten Videbæk Pedersen

## **STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES**

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Steinwurf ApS for the year 1 July 2019 - 30 June 2020.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's financial position at 30 June 2020 and of the results of the Company's operations for the financial year 1 July 2019 - 30 June 2020.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the review.

The board of directors and board of executives remain of the opinion that the conditions for opting out of audit have been fulfilled.

We recommend the Annual Report be approved at the Annual General Meeting.

Aalborg, 30 November 2020

Board of Executives

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Morten Videbæk Pedersen

Board of Directors

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Giustino de Sanctis  
Chairman

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Salvatore Metrangolo

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Gianmarco Tasca

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Morten Videbæk Pedersen

## MANAGEMENT'S REVIEW

### Principal activities

The primary activity of the company is to develop and sell software for optimization of networks used in computer systems, e.g. mobile devices, network equipment, personal computers and data servers.

### Development in activities and financial position

The result of the company's operation in the previous period and the company's economic situation at the end of the accounting year is presented in the following income statement for the period from the 1st of July 2019 - 30th of June 2020 and the balance sheet per the 30th of June 2020. The used accounting principles is described under the section accounting practices.

The income statement shows a deficit of 2.265 tdkk after taxes, the equity is negative and - 4.230 tdkk as per the 30th of June 2020.

Included development costs are 5,319 tdk. The management expect that the future income from the conducted development to be higher than the included development costs.

The management expect to conclude the development project and that the future operation of the company will result in a positive result, and hence the equity is expected to be reestablished through future net income. The management predict that the positive expectations for the future can be met and the income statement is therefore declared with a continued operation in mind.

### Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

**INCOME STATEMENT 1 JULY - 30 JUNE**

	Note	2019/20 DKK	2018/19 DKK
<b>GROSS PROFIT.....</b>		<b>34.665</b>	<b>641.822</b>
Staff costs.....	1	-511.535	-361.284
Depreciation, amortisation and impairment.....		-2.106.217	-2.039.710
<b>OPERATING LOSS.....</b>		<b>-2.583.087</b>	<b>-1.759.172</b>
Other financial income.....		0	36.480
Other financial expenses.....		-431.883	-752.951
<b>PROFIT BEFORE TAX.....</b>		<b>-3.014.970</b>	<b>-2.475.643</b>
Tax on profit/loss for the year.....	2	749.587	550.482
<b>PROFIT FOR THE YEAR.....</b>		<b>-2.265.383</b>	<b>-1.925.161</b>
<b>PROPOSED DISTRIBUTION OF PROFIT</b>			
Accumulated profit.....		-2.265.383	-1.925.161
<b>TOTAL.....</b>		<b>-2.265.383</b>	<b>-1.925.161</b>

BALANCE SHEET AT 30 JUNE

ASSETS	Note	2020 DKK	2019 DKK
Development projects completed.....		4.016.393	4.381.657
Development projects in progress and prepayments.....		1.302.669	1.724.917
<b>Intangible fixed assets.....</b>	<b>3</b>	<b>5.319.062</b>	<b>6.106.574</b>
Other plants, machinery, tools and equipment.....		5.714	21.751
<b>Tangible fixed assets.....</b>	<b>4</b>	<b>5.714</b>	<b>21.751</b>
Other securities.....		549	549
Rent deposit and other receivables.....		26.732	51.732
<b>Fixed asset investments.....</b>	<b>5</b>	<b>27.281</b>	<b>52.281</b>
<b>FIXED ASSETS.....</b>		<b>5.352.057</b>	<b>6.180.606</b>
Trade receivables.....		0	4.463
Other receivables.....		145.174	126.084
Receivables corporation tax.....		666.069	543.867
<b>Receivables.....</b>		<b>811.243</b>	<b>674.414</b>
<b>Cash and cash equivalents.....</b>		<b>763.335</b>	<b>149.550</b>
<b>CURRENT ASSETS.....</b>		<b>1.574.578</b>	<b>823.964</b>
<b>ASSETS.....</b>		<b>6.926.635</b>	<b>7.004.570</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital.....		2.586.396	124.596
Transfer to reserve for development costs.....		3.797.074	3.753.872
Retained profit.....		-10.613.090	-8.304.505
<b>EQUITY.....</b>	<b>7</b>	<b>-4.229.620</b>	<b>-4.426.037</b>
Provision for deferred tax.....		557.000	1.020.000
<b>PROVISION FOR LIABILITIES.....</b>		<b>557.000</b>	<b>1.020.000</b>
Debt instruments.....		10.329.517	9.679.703
<b>Long-term liabilities.....</b>	<b>8</b>	<b>10.329.517</b>	<b>9.679.703</b>
Short-term portion of long-term liabilities.....		0	484.900
Trade payables.....		93.922	86.329
Other liabilities.....		175.816	159.675
<b>Current liabilities.....</b>		<b>269.738</b>	<b>730.904</b>
<b>LIABILITIES.....</b>		<b>10.599.255</b>	<b>10.410.607</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>6.926.635</b>	<b>7.004.570</b>
Contingencies etc.	9		
Information on uncertainty with respect to recognition and measurement	10		

**NOTES**

	2019/20 DKK	2018/19 DKK	Note
<b>Staff costs</b>			1
Average number of employees 3 (2018/19: 3)			
Wages and salaries.....	459.162	323.868	
Pensions.....	6.185	6.817	
Social security costs.....	11.966	10.872	
Other staff costs.....	34.222	19.727	
	<b>511.535</b>	<b>361.284</b>	
During the financial year, salary and staff costs were transferred to DKK 1,191,394 for development costs (2018/19: 1,311,182).			
<b>Tax on profit/loss for the year</b>			2
Calculated tax on taxable income of the year.....	-286.587	-379.482	
Adjustment of deferred tax.....	-463.000	-171.000	
	<b>-749.587</b>	<b>-550.482</b>	
<b>Intangible fixed assets</b>			3
	Development projects completed	Development projects in progress and prepayments	
Cost at 1 July 2019.....	10.680.410	1.724.917	
Transfer.....	1.724.917	-1.724.917	
Additions.....	0	1.302.669	
<b>Cost at 30 June 2020.</b>	<b>12.405.327</b>	<b>1.302.669</b>	
Amortisation at 1 July 2019.....	6.298.754	0	
Depreciation for the year.....	2.090.180	0	
<b>Depreciation at 30 June 2020.</b>	<b>8.388.934</b>	<b>0</b>	
<b>Carrying amount at 30 June 2020.</b>	<b>4.016.393</b>	<b>1.302.669</b>	

The development project constitutes the development of the products Kodo, Rely, and OTAcast, which are still being actively developed. Market studies show that there is a high demand for this new type of product, and that there exists very few competitors on the market.

The management have high expectations to the product and there are no indications for the need to write down on the accounted value

**NOTES**

	Note
<b>Tangible fixed assets</b>	<b>4</b>
	Other plants, machinery, tools and equipment
Cost at 1 July 2019.....	197.811
<b>Cost at 30 June 2020.....</b>	<b>197.811</b>
Depreciation and write-down at 1 July 2019.....	176.060
Depreciation for the year.....	16.037
<b>Depreciation and write-down at 30 June 2020.....</b>	<b>192.097</b>
<b>Carrying amount at 30 June 2020.....</b>	<b>5.714</b>
<b>Fixed asset investments</b>	<b>5</b>
	Rent deposit and Other securities other receivables
Cost at 1 July 2019.....	549      51.732
Disposals.....	0      -25.000
<b>Cost at 30 June 2020.....</b>	<b>549      26.732</b>
<b>Carrying amount at 30 June 2020.....</b>	<b>549      26.732</b>
<b>Receivables corporation tax</b>	<b>6</b>
DKK (ODD) 287 of receivables corporation tax is due for payment after 12 months.	
<b>Equity</b>	<b>7</b>
	Transfer to reserve for development
	Share capital
	Retained profit
	Total
Equity at 1 July 2019.....	124.596      3.753.872      -8.304.505      -4.426.037
Capital increase.....	2.461.800
Proposed distribution of profit.....	-2.265.383
Transfer to reserve for development costs...	43.202      -43.202
<b>Equity at 30 June 2020.....</b>	<b>2.586.396      3.797.074      10.613.090      -4.229.620</b>

**NOTES**

					Note
<b>Long-term liabilities</b>					<b>8</b>
	1/7 2019 total liabilities	30/6 2020 total liabilities	Repayment next year	Debt outstanding after 5 years	
Debt instruments.....	10.164.603	10.329.517	0	0	
	<b>10.164.603</b>	<b>10.329.517</b>	<b>0</b>	<b>0</b>	
<b>Contingencies etc.</b>					<b>9</b>
Steinwurf had entered into a lease for which the notice of termination is 3 months. equivalent to DKK('ODD) 27.					
<b>Information on uncertainty with respect to recognition and measurement</b>					<b>10</b>
Due to the company specific activity as a development company there is a natural uncertainty related to the measurement of the company's development. The carrying amount of the development project is based on the management's positive expectations to the future.					
					<b>10</b>

## ACCOUNTING POLICIES

The annual report of Steinwurf ApS for 2019/20 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles used last year.

### **INCOME STATEMENT**

#### **Net revenue**

Net revenue from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

#### **Cost of sales**

Cost of sales comprise costs incurred to achieve the net revenue for the year.

#### **Other external expenses**

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

#### **Staff costs**

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

#### **Financial income and expenses in general**

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

#### **Tax on profit for the year**

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

### **BALANCE SHEET**

#### **Intangible fixed assets**

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years.

An amount corresponding to the recognised development costs is tied up on a special reserve under equity, called "Reserve for development costs". The reserve is reduced by depreciation and reduction of deferred tax.

## **ACCOUNTING POLICIES**

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

## ACCOUNTING POLICIES

### Tangible fixed assets

Other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-down.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plants, fixtures and equipment.....	2 years	0 %

Profit or loss on disposal of tangible fixed assets is stated at the difference between selling price less selling costs and the carrying amount at the time of sale. Profits or losses are recognised in the income statement.

### Fixed asset investments

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

### Impairment of fixed assets

The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, write-down is provided to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

### Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

## ACCOUNTING POLICIES

### Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.