



**CHOCOLATE CLOUD APS**  
**MØLLESVINGET 31, 8541 SKØDSTRUP**  
**ANNUAL REPORT**  
**1 JULY 2021 - 30 JUNE 2022**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 11 January 2023**

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**Daniel Enrique Lucani Rötter**

## CONTENTS

	Page
<b>Company Details</b>	
Company Details.....	2
<b>Statement and Report</b>	
Management's Statement.....	3
Independent Auditor's Report.....	4-5
<b>Management Commentary</b>	
Management Commentary.....	6
<b>Financial Statements 1 July 2021 - 30 June 2022</b>	
Income Statement.....	7
Balance Sheet.....	8
Equity.....	9
Notes.....	10-11
Accounting Policies.....	12-13

## COMPANY DETAILS

<b>Company</b>	Chocolate Cloud ApS Møllesvinget 31 8541 Skødstrup
	CVR No.: 35 86 57 56
	Established: 2 June 2014
	Financial Year: 1 July 2021 - 30 June 2022
<b>Board of Directors</b>	Daniel Enrique Lucani Rötter Marcell Feher Per Hartmann Christensen
<b>Executive Board</b>	Daniel Enrique Lucani Rötter
<b>Auditor</b>	Deloitte Statsautoriseret Revisionspartnerselskab Østre Havnepromenade 26, 4. 9000 Aalborg
<b>Bank</b>	Sparekassen Danmark Østergade 15 9760 Vrå

## MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Chocolate Cloud ApS for the financial year 1 July 2021 - 30 June 2022.

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 assets, liabilities and financial position at 30 June 2022 and of the results of the Company's operations for the financial year 1 July 2021 - 30 June 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

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

Aarhus, 11 January 2023

Executive Board

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Daniel Enrique Lucani Rötter

Board of Directors

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Daniel Enrique Lucani Rötter

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Marcell Feher

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Per Hartmann Christensen

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of Chocolate Cloud ApS

#### Opinion

We have audited the Financial Statements of Chocolate Cloud ApS for the financial year 1 July 2021 - 30 June 2022, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant 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 assets, liabilities and financial position of the Company at 30 June 2022 and of the results of the Company's operations for the financial year 1 July 2021 - 30 June 2022 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### Emphasis of matter

We draw attention to note 7 to the financial statements, which discloses that there is material uncertainty related to the valuation of the Company's development activities. The Company has prepared an impairment test based on expected cash flows in the years ahead. The value of the development costs depends on the Company's earnings in the years ahead. These conditions, along with other matters as set forth in note 7, indicate that there is material uncertainty related to the valuation of the Company's capitalized development costs which has resulted in an impairment loss on DKK 1.6 million in this fiscal year. Our opinion has not been modified with respect to this matter.

#### Management's Responsibilities 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 as 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 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 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 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

## INDEPENDENT AUDITOR'S REPORT

- 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 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 Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, 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 Management Commentary and, in doing so, consider whether Management Commentary 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 Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary 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 Management Commentary.

Aalborg, 11 January 2023

Deloitte Statsautoriseret Revisionspartnerselskab  
CVR no. 20222670

Peter Nørrevang  
State Authorised Public Accountant  
MNE no. mne11706

## MANAGEMENT COMMENTARY

### Principal activities

The purpose of the company is to perform development, manufacturing and sales of cloud storage technologies. Chocolate Cloud offers software solutions for managing storage in multiple storage clouds. Whether our customers are interested in employing commercial cloud storage services, deploy their own clouds, or a mix of the two, our technology allows to store files reliably while reducing the storage cost. Our team has also developed Hadoop and OpenStack solutions that exploit our core technology (network coding) for increased data reliability, while significantly reducing the storage and network costs to your system.

Our technical goal is to provide flexible, highly reliable, privacy preserving, and blazing fast cloud storage technologies. We wield the power of network coding, a novel erasure coding strategy, to enable solutions in highly dynamic settings and mobile devices, where others cannot, as well as solutions for standard data centers.

### Recognition and measurement uncertainty

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 expectations to the future.

### Development in activities and financial and economic position

The company has during the year primarily spent development efforts on the SERRANO project making substantial contributions to the project as well as contributing to paid activities with the Danish CyberHub (payment to be received in the following financial year). Chocolate Cloud ApS is continuously improving the sale on SkyFlok.com and has signed a number of reseller agreements. As well SkyFlok has now integrated access to a range of EU owned cloud storage facilities located inside the EU. We have also been developing an open API for skyflok.com that will allow companies to develop their own products using Chocolate Cloud's Cloud backend connecting to over 54 Cloud locations worldwide (this is supported heavily by our activities in the SERRANO project). This means that a highly secured Object Storage solution will be available shortly. Finally Chocolate Cloud ApS achieved the third place in the prestigious Deutsche Telekom Challenge, where the most innovative R&D activities with market potential for Deutsche Telekom are prized, proving the potential of the Chocolate Cloud distributed storage technologies.

The management has great expectations for the development project but based on a impairment test it has been decided to make an impairment loss on DKK 1,6 million this fiscal year.

The equity is negative -145 tdkk as per 30th of June 2022. 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.

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

Nothing to note.

INCOME STATEMENT 1 JULY - 30 JUNE

	Note	2021/22 DKK	2020/21 DKK
<b>GROSS PROFIT.....</b>		<b>728,045</b>	<b>-256,759</b>
Staff costs.....	1	-980,785	-442,387
Depreciation, amortisation and impairment.....		-1,857,887	-386,685
<b>OPERATING LOSS.....</b>		<b>-2,110,627</b>	<b>-1,085,831</b>
Other financial income.....	2	0	7,955,343
Other financial expenses.....		-180,016	-201,247
<b>LOSS BEFORE TAX.....</b>		<b>-2,290,643</b>	<b>6,668,265</b>
Tax on profit/loss for the year.....	3	571,550	213,561
<b>LOSS FOR THE YEAR.....</b>		<b>-1,719,093</b>	<b>6,881,826</b>
<b>PROPOSED DISTRIBUTION OF PROFIT</b>			
Retained earnings.....		-1,719,093	6,881,826
<b>TOTAL.....</b>		<b>-1,719,093</b>	<b>6,881,826</b>



## BALANCE SHEET AT 30 JUNE

ASSETS	Note	2022 DKK	2021 DKK
Development projects completed.....		2,502,358	5,267,740
Development projects in progress and prepayments.....		1,497,642	476,960
<b>Intangible assets.....</b>	<b>4</b>	<b>4,000,000</b>	<b>5,744,700</b>
<b>NON-CURRENT ASSETS.....</b>		<b>4,000,000</b>	<b>5,744,700</b>
Other receivables.....		12,551	6,574
Receivables corporation tax.....		224,550	142,221
<b>Receivables.....</b>		<b>237,101</b>	<b>148,795</b>
<b>Cash and cash equivalents.....</b>		<b>1,204,122</b>	<b>2,358,107</b>
<b>CURRENT ASSETS.....</b>		<b>1,441,223</b>	<b>2,506,902</b>
<b>ASSETS.....</b>		<b>5,441,223</b>	<b>8,251,602</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital.....		120,939	120,939
Transfer to reserve for development costs.....		2,796,590	3,713,228
Retained profit.....		-3,062,161	-2,259,706
<b>EQUITY.....</b>		<b>-144,632</b>	<b>1,574,461</b>
Provision for deferred tax.....		94,000	441,000
<b>PROVISIONS.....</b>		<b>94,000</b>	<b>441,000</b>
Convertible and interest-bearing debt instruments.....		1,616,634	1,746,980
Accruals and deferred income.....		2,455,728	3,363,222
<b>Non-current liabilities.....</b>	<b>5</b>	<b>4,072,362</b>	<b>5,110,202</b>
Convertible debt instruments.....		127,456	116,317
Trade payables.....		20,201	33,314
Other liabilities.....		966,240	670,712
Accruals and deferred income.....		305,596	305,596
<b>Current liabilities.....</b>		<b>1,419,493</b>	<b>1,125,939</b>
<b>LIABILITIES.....</b>		<b>5,491,855</b>	<b>6,236,141</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>5,441,223</b>	<b>8,251,602</b>
Contingencies etc.	6		
Information on uncertainty with respect to recognition and measurement	7		

## EQUITY

	Share capital	Transfer to reserve for development costs	Retained profit	Total
Equity at 1 July 2021 .....	120,939	3,713,228	-2,259,706	1,574,461
Proposed profit allocation.....			-1,719,093	-1,719,093
<b>Other legal bindings</b>				
Capitalized development costs.....		-916,638	916,638	0
<b>Equity at 30 June 2022.....</b>	<b>120,939</b>	<b>2,796,590</b>	<b>-3,062,161</b>	<b>-144,632</b>

## NOTES

			Note
<b>Staff costs</b>			<b>1</b>
Average number of employees	1	1	
Wages and salaries.....	976,601	440,995	
Pensions.....	757	757	
Social security costs.....	2,138	635	
Other staff costs.....	1,289	0	
	<b>980,785</b>	<b>442,387</b>	
<b>Other financial income</b>			<b>2</b>
Other interest income.....	0	7,955,343	
	<b>0</b>	<b>7,955,343</b>	
Other interest income regarding 2020/21 consists of debt forgiveness by the creditors Borean Innovation A/S, Uddannelses- og Forskningsstyrelsen and Atlantic Internet II GmbH & Co. KG.			
<b>Tax on profit/loss for the year</b>			<b>3</b>
Calculated tax on taxable income of the year.....	-224,550	0	
Adjustment of tax for previous years.....	0	439	
Adjustment of deferred tax.....	-347,000	-214,000	
	<b>-571,550</b>	<b>-213,561</b>	
<b>Intangible assets</b>			<b>4</b>
	Development projects completed	Development projects in progress and prepayments	
Cost at 1 July 2021.....	10,806,608	476,960	
Additions.....	0	1,020,682	
<b>Cost at 30 June 2022.....</b>	<b>10,806,608</b>	<b>1,497,642</b>	
Amortisation at 1 July 2021.....	5,538,869	0	
Impairment losses.....	1,685,020	0	
Amortisation for the year.....	1,080,361	0	
<b>Amortisation at 30 June 2022.....</b>	<b>8,304,250</b>	<b>0</b>	
<b>Carrying amount at 30 June 2022.....</b>	<b>2,502,358</b>	<b>1,497,642</b>	
Interest expenses recognised as part of cost of assets.....	0	0	

The development project constitutes widening the SkyFlok solution to the Internet of Things (IoT) market. This development includes enhancements to the back-end software (e.g. OpenStack Swift) to interface SkyFlok to more European cloud storage providers.

Management has prepared an impairment test for the development projects based on cash flows. The expected cash flows generated are expected to be positive from 2027. The discount factor used for the impairment test is a market conform 10% p.a. As an influence of the impairment test it has been decided to make an impairment loss on DKK 1,6 million in this fiscal year.

## NOTES

				Note
<b>Intangible fixed assets (continued)</b>				<b>4</b>
<b>Long-term liabilities</b>				<b>5</b>
	30/6 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	30/6 2021 total liabilities
Convertible and interest-bearing debt instruments.....	1,744,090	127,456	887,881	1,863,297
Accruals and deferred income.....	3,375,512	293,305	1,550,323	3,668,818
	<b>5,119,602</b>	<b>420,761</b>	<b>2,438,204</b>	<b>5,532,115</b>
<b>Contingencies etc.</b>				<b>6</b>
<b>Contingent liabilities</b>				
<b>Information on uncertainty with respect to recognition and measurement</b>				<b>7</b>
Due to the company specific activity as a development company thier is a natural uncertainty related to the measurement of the company's development.				

Management has prepared an impairment test for the development projects based on cash flows. The expected cash flows generated are expected to be positive from 2027. The discount factor used for the impairment test is a market conform 10% p.a. As an influence of the impairment test it has been decided to make an impairment loss on DKK 1,6 million in this fiscal year.

## ACCOUNTING POLICIES

The Annual Report of Chocolate Cloud ApS for 2021/22 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 applied 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.

### Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible fixed assets.

### Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operating 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

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

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 10 years.

## ACCOUNTING POLICIES

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.

### 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 fixed assets 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 recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

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 written down to meet expected losses.

### 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 will 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.

Amortised cost for short-term liabilities usually corresponds to the nominal value.