

CHOCOLATE CLOUD APS  
MØLLESVINGET 31, 8541 SKØDSTRUP  
ANNUAL REPORT  
1. JULI 2019 - 30. JUNI 2020

The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 9 December 2020

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Klaus William Ahlbech

## CONTENTS

	Page
<b>Company Details</b>	
Company Details.....	3
<b>Statement and Report</b>	
Statement by Board of Directors and Board of Executives.....	4
Independent Auditor's Report.....	5-7
<b>Management's Review</b>	
Management's Review .....	8
<b>Financial Statements 1 July 2019 - 30 June 2020</b>	
Income Statement.....	9
Balance Sheet.....	10
Noter.....	11-13
Accounting Policies.....	14-16

## COMPANY DETAILS

<b>Company</b>	Chocolate Cloud ApS Møllesvinget 31 8541 Skødstrup  CVR no.: 35 86 57 56 Established: 2 June 2014 Registered Office: Aarhus Financial Year: 1 July 2019 - 30 June 2020
<b>Board of Directors</b>	Daniel Enrique Lucani Rötter, Chairman Muriel Medard Frank Hanns Paul Fitzek Per Hartmann Christensen
<b>Board of Executives</b>	Klaus William Ahlbech, adm. direktør Daniel Enrique Lucani Rötter
<b>Auditor</b>	Deloitte Statsautoriseret Revisionspartnerselskab Østre Havnepromenade 26, 4. 9000 Aalborg
<b>Bank</b>	Jutlander Bank Tankedraget 5 9000 Aalborg

## 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 Chocolate Cloud 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 the Company's financial position at 30 June 2020 and of the results of the 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.*

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

Aarhus, den 9. december 2020

Board of Executives

\_\_\_\_\_  
Klaus William Ahlbech, adm.  
direktør

\_\_\_\_\_  
Daniel Enrique Lucani Rötter

Board of Directors

\_\_\_\_\_  
Daniel Enrique Lucani Rötter  
Chairman

\_\_\_\_\_  
Muriel Medard

\_\_\_\_\_  
Frank Hanns Paul Fitzek

\_\_\_\_\_  
Per Hartmann Christensen

## INDEPENDENT AUDITOR'S REPORT

*To the Shareholders of Chocolate Cloud ApS*

### AUDITORS OPINION ON THE FINANCIAL STATEMENTS

#### **Opinion**

We have audited the Financial Statements of Chocolate Cloud ApS for the financial year 1 July 2019 - 30 June 2020, which comprise income statement, balance sheet, 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's at 30 June 2020 and of the results of the Company's operations for the financial year 1 July 2019 - 30 June 2020 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 the note "Information on uncertainty in recognition and measurement" in the financial statements, which describes the uncertainty associated with the recognized intangible fixed assets of DKK 6,000,000. Our conclusion is not modified regarding this relationship.

#### **Management's Responsibility 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 Responsibility for 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's Review**

*Management is responsible for Management's Review.*

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

*Based on the work we have performed, we conclude that Management's Review 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's Review.*

## INDEPENDENT AUDITOR'S REPORT

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

#### *Statement on compliance audit and performance audit true*

*Management is responsible for ensuring that the transactions covered by the financial statements are in accordance with the appropriations, laws and other regulations, agreements and usual practice and that financial consideration was made when managing the funds and the operation of the activities covered by the financial statements. Management is also responsible for setting up systems and processes supporting economy, productivity and efficiency.*

*As part of our audit of the financial statements, it is our responsibility to perform compliance audit as well as performance audit of selected subject matters in accordance with the public auditing standards. In our compliance audit, we test the selected subject matters to obtain reasonable assurance about whether the examined transactions covered by the financial statements comply with the appropriations, laws and other regulations, agreements and usual practice. In our performance audit, we make an assessment to obtain reasonable assurance about whether the systems, processes or transactions examined support the exercise of sound financial management in the administration of the funds and activities covered by the financial statements.*

*We must report on any grounds for significant critical comments should we find such in performing our procedures.*

*We have no significant critical comments to report in this connection.*

Aalborg, 9 December 2020

Deloitte Statsautoriseret Revisionspartnerselskab  
CVR no. 20222670

Peter Nørrevang  
State Authorised Public Accountant  
MNE no. mne11706

## MANAGEMENT'S REVIEW

### **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.*

### **Uncertainty as to recognition and measurement**

*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 weak historic income from SkyFlok and the competitive market for cloud storage technologies, has made the company decide to reduce the value of the immaterial assets. The carrying amount of the development project is based on the management's expectations to the future.*

### **Development in activities and financial position**

*The company has during the year successfully finished a project funded by Markedsmodningsfonden with paying commercial customers since April 2018. During 2019 and 2020, the company has reduced its development efforts to what is needed to market SkyFlok.com and what is required for the INCOM project. This has reduced the operating cost to a bare minimum. The key developers are still in the company.*

*During 2020 the market focus has been changed from selling directly to individuals and small companies to now having a focus on selling through IT resellers and distributors, who are already providing IT-services to end customers.*

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

*Borean Innovation A/S has sold their shares to the existing shareholders and at the same time all unsecured debt in the company has been forgiven.*

*To this date no events have occurred after the balance sheet date besides forgiven debt, which would influence the evaluation of this annual report.*



INCOME STATEMENT 1 JULY - 30 JUNE

	Note	2019/20 DKK	2018/19 DKK
<b>GROSS PROFIT.....</b>		<b>67.880</b>	<b>47.827</b>
Staff costs.....	1	-472.037	-1.678.187
Depreciation, amortisation and impairment.....		-2.839.371	-380.571
<b>OPERATING LOSS.....</b>		<b>-3.243.528</b>	<b>-2.010.931</b>
Other financial expenses.....		-183.891	-14.585
<b>PROFIT BEFORE TAX.....</b>		<b>-3.427.419</b>	<b>-2.025.516</b>
Tax on profit/loss for the year.....	2	835.660	454.521
<b>PROFIT FOR THE YEAR.....</b>		<b>-2.591.759</b>	<b>-1.570.995</b>
<b>PROPOSED DISTRIBUTION OF PROFIT</b>			
Accumulated profit.....		-2.591.759	-1.570.995
<b>TOTAL.....</b>		<b>-2.591.759</b>	<b>-1.570.995</b>

## BALANCE SHEET AT 30 JUNE

ASSETS	Note	2020 DKK	2019 DKK
Development projects completed.....		6.000.000	8.547.683
<b>Intangible fixed assets.....</b>	<b>3</b>	<b>6.000.000</b>	<b>8.547.683</b>
Other plants, machinery, tools and equipment.....		0	11.950
<b>Tangible fixed assets.....</b>	<b>4</b>	<b>0</b>	<b>11.950</b>
Rent deposit and other receivables.....		25.000	51.733
<b>Fixed asset investments.....</b>	<b>5</b>	<b>25.000</b>	<b>51.733</b>
<b>FIXED ASSETS.....</b>		<b>6.025.000</b>	<b>8.611.366</b>
Trade receivables.....		324	0
Other receivables.....		7.895	341.768
Receivables corporation tax.....	6	796.181	1.153.323
<b>Receivables.....</b>		<b>804.400</b>	<b>1.495.091</b>
<b>Cash and cash equivalents.....</b>		<b>366.588</b>	<b>199.329</b>
<b>CURRENT ASSETS.....</b>		<b>1.170.988</b>	<b>1.694.420</b>
<b>ASSETS.....</b>		<b>7.195.988</b>	<b>10.305.786</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital.....		110.939	110.939
Transfer to reserve for development costs.....		4.270.471	5.189.698
Retained profit.....		-9.698.775	-8.026.243
<b>EQUITY.....</b>	<b>7</b>	<b>-5.317.365</b>	<b>-2.725.606</b>
Provision for deferred tax.....		787.000	1.348.000
<b>PROVISION FOR LIABILITIES.....</b>		<b>787.000</b>	<b>1.348.000</b>
Convertible and interest-bearing debt instruments.....		9.780.987	9.018.054
Accruals and deferred income.....		1.530.030	2.106.267
<b>Long-term liabilities.....</b>	<b>8</b>	<b>11.311.017</b>	<b>11.124.321</b>
Trade payables.....		21.597	205.005
Other liabilities.....		393.739	354.066
<b>Current liabilities.....</b>		<b>415.336</b>	<b>559.071</b>
<b>LIABILITIES.....</b>		<b>11.726.353</b>	<b>11.683.392</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>7.195.988</b>	<b>10.305.786</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>			<b>1</b>
Average number of employees 1 (2018/19: 4)			
Wages and salaries.....	462.470	1.622.901	
Pensions.....	1.073	9.278	
Social security costs.....	7.111	17.525	
Other staff costs.....	1.383	28.483	
	<b>472.037</b>	<b>1.678.187</b>	

During the financial year, salary and staff costs were transferred to DKK 494.264 for development costs (2018/19: 903.746).

<b>Tax on profit/loss for the year</b>			<b>2</b>
Calculated tax on taxable income of the year.....	-274.660	-521.521	
Adjustment of deferred tax.....	-561.000	67.000	
	<b>-835.660</b>	<b>-454.521</b>	

<b>Intangible fixed assets</b>			<b>3</b>
		Development projects completed	
Cost at 1 July 2019.....		9.558.153	
Additions.....		1.248.455	
<b>Cost at 30 June 2020.....</b>		<b>10.806.608</b>	
Amortisation at 1 July 2019.....		1.010.470	
Write-down.....		2.840.623	
Depreciation for the year.....		955.515	
<b>Depreciation at 30 June 2020.....</b>		<b>4.806.608</b>	
<b>Carrying amount at 30 June 2020.....</b>		<b>6.000.000</b>	
Interest expenses recognised as part of cost of assets.....		601.998	

The development project constitutes the development of the products SkyFlok as well as backends for OpenStack Swift, Ceph, and Hadoop.

SkyFlok is now ready for the Market and the management has high expectations for the product and has no indication of impairment in ratio to the carrying amount.

## NOTES

Note

Tangible fixed assets

4

Other plants, machinery, tools and equipment

Cost at 1 July 2019.....

96.074

Disposals.....

-96.074

Cost at 30 June 2020.....

0

Depreciation and write-down at 1 July 2019.....

84.124

Reversal of depreciation of assets disposed of.....

-96.074

Depreciation for the year.....

11.950

Depreciation and write-down at 30 June 2020.....

0

Fixed asset investments

5

Rent deposit and other receivables

Cost at 1 July 2019.....

25.000

Cost at 30 June 2020.....

25.000

Carrying amount at 30 June 2020.....

25.000

Receivables corporation tax

6

Of this amount, DKK 274.660 will be due for payment in November 2021.

Equity

7

Share capital

Transfer to reserve for development-costs

Retained profit

Total

Equity at 1 July 2019.....

110.939

5.189.698

-8.026.243

-2.725.606

Proposed distribution of profit.....

-2.591.759

-2.591.759

Transfer to reserve for development costs...

-919.227

919.227

Equity at 30 June 2020.....

110.939

4.270.471

-9.698.775

-5.317.365

## NOTES

				Note
<b>Long-term liabilities</b>				<b>8</b>
	<b>1/7 2019</b>	<b>30/6 2020</b>	<b>Repayment</b>	<b>Debt outstanding</b>
	<b>total liabilities</b>	<b>total liabilities</b>	<b>next year</b>	<b>after 5 years</b>
Convertible and interest-bearing debt instruments.....	9.018.054	9.780.987	0	0
Accruals and deferred income..	2.106.267	1.530.030	231.024	1.071.719
	<b>11.124.321</b>	<b>11.311.017</b>	<b>231.024</b>	<b>1.071.719</b>
<b>Contingencies etc.</b>				<b>9</b>
Chocolate Cloud had entered into a lease for which the notice of termination is 3 months, equivalent to t. DKK 24.				
For collateral for debt instruments, a company loan has been granted for t.DKK 1,500.				
It has been agreed to the effect that debt instruments with a principal sum of t.DKK 3,218 are to be settled at a price of 200 provided that they are repaid after 31. december 2021. The debt instruments are to be repaid by 30 June 2022 at the latest.				
<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.				

## ACCOUNTING POLICIES

*The annual report of Chocolate Cloud ApS for 2019/20 has been prepared in accordance with the provisions applying to reporting class B under the Danish Financial Statements Act with opt-in from higher reporting classes.*

*The activation of staff costs are presented in annual report under gross profit. The activation has previously been presented as part of staff costs. The change has not affected the profit of the year. In addition to this, the annual report have been 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.*

#### **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 10 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.*

### **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.*

### **Cash and cash equivalents**

*Cash and cash equivalents includes cash and cash equivalents.*

## 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.*

### ***Accruals, liabilities***

*Accruals recognised as liabilities include payments received regarding income in subsequent years.*