Stinto ApS

Strandvænget 41, 2960 Rungsted Kyst

Company reg. no. 38 29 25 60

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 6 June 2023.

Morten Berggreen
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Stinto ApS for the financial year 1 January - 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Rungsted Kyst, 18 April 2023

Managing Director

Kåre Sand
CEO

Board of directors

Kåre Sand Chairman	Stuart Lomax Wynn Aagaard	Claus Jønck

Independent auditor's report

To the Shareholders of Stinto ApS

Opinion

We have audited the financial statements of Stinto ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 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 (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Independent auditor's report

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:

- 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.

Independent auditor's report

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 Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 18 April 2023

Redmark
Godkendt Revisionspartnerselskab
Company reg. no. 29 44 27 89

Mark Leerdrup Hansen
State Authorised Public Accountant
mne19802

Company information

The company	Stinto ApS Strandvænget 41 2960 Rungsted Kyst	
	Company reg. no.	38 29 25 60
	Established:	29 December 2016
	Domicile:	
	Financial year:	1 January 2022 - 31 December 2022 6th financial year
Board of directors	Kåre Sand, Chairman Stuart Lomax Wynn Aagaard Claus Jønck	
Managing Director	Kåre Sand, CEO	
Auditors	Redmark Godkendt Revisionspartnerselskab Dirch Passers Allé 76 2000 Frederiksberg	

Management´s review

The principal activities of the company

The purpose of the company is activities within development and sale of software and associated business hereto.

Organisation: Also in 2022, we continued our focus on keeping the organisation lean with a view to optimise resources and manage the business with a minimum of fixed cost. We did however, offer our Customer Success Manager to move from part time to full time employment from the beginning of 2023. We kept working with our product development team on a freelance basis.

Product: The product remains stable and we experience very few bugs. We have made smaller "flow" changes and also added an NFC enabled solution towards the end of the year, which we will continue to focus on in 2023.

Funding: We managed cost very carefully throughout the year and completed 2022 with no additional funding. The company did however, receive loans from two of the founders. Funding will be required in 2023, however, and particularly in order to really kickstart commercial activities, and further build the product. In December, we submitted an application to the Danish Innovation Fund for a project called "The Stinto Vault" - a response is expected during the first half of 2023. For further desciption of assumption for the assessment of going concern, reference is made to the financial statement Note 1.

Commercial; Given our limited resources, we have focused on creating awareness - both through marketing activities (through which we have managed to significantly increase the number of downloads of the app) and through direct conversations with companies, who we are now in position to follow-up with when we have secured proper funding and resources to follow through on these. Having said that, we have landed a couple of new customers and are working closely with them to better understand e.g. how to drive efficient onboarding of new accounts.

Overall, 2022 was another "maintenance" year. In 2023, we plan to raise additional funds and also to employ a new CEO, who will also become a significant shareholder.

Development in activities and financial matters

The gross loss for the year totals DKK -589.000 against DKK -1.475.000 last year. Income or loss from ordinary activities after tax totals DKK -1.700.000 against DKK -3.561.000 last year. Management considers the net profit or loss for the year satisfactory.

Events occurring after the end of the financial year

There have been no events with materially effect on the Annual Report, after the end of the financial year.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2022	2021
	Gross loss	**-589.047**	**-1.475.301**
2	Staff costs	-860.963	-1.193.163
	Depreciation and impairment of property, land, and equipment	-2.836	-24.244
	Research and development costs	-12.521	-633.349
	Operating profit	**-1.465.367**	**-3.326.057**
	Other financial expenses	-234.483	-235.348
	Pre-tax net profit or loss	**-1.699.850**	**-3.561.405**
	Tax on net profit or loss for the year	0	0
	Net profit or loss for the year	**-1.699.850**	**-3.561.405**
	Proposed distribution of net profit:		
	Allocated from retained earnings	-1.699.850	-3.561.405
	Total allocations and transfers	**-1.699.850**	**-3.561.405**

Balance sheet at 31 December

All amounts in DKK.

Assets

Note		2022	2021
	Non-current assets		
	Other fixtures and fittings, tools and equipment	0	2.836
	Total property, plant, and equipment	0	2.836
	Deposits	36.000	36.000
	Total investments	36.000	36.000
	Total non-current assets	**36.000**	**38.836**
	Current assets		
	Trade receivables	2.771	2.771
	Income tax receivables	753.282	753.282
	Other receivables	56.202	97.258
	Prepayments	0	5.998
	Total receivables	812.255	859.309
	Cash and cash equivalents	52.754	155.016
	Total current assets	**865.009**	**1.014.325**
	Total assets	**901.009**	**1.053.161**

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities

Note		2022	2021
	Equity		
	Contributed capital	130.469	130.469
	Retained earnings	-7.100.840	-5.400.990
	Total equity	**-6.970.371**	**-5.270.521**
	Long term labilities other than provisions		
3	Convertible loans	5.984.427	5.754.258
	Total long term liabilities other than provisions	5.984.427	5.754.258
	Current portion of long term payables	79.836	77.513
	Trade payables	290.518	100.982
	Payables to associates	1.374.596	239.596
	Other payables	142.003	151.333
	Total short term liabilities other than provisions	1.886.953	569.424
	Total liabilities other than provisions	**7.871.380**	**6.323.682**
	Total equity and liabilities	**901.009**	**1.053.161**

1 Going concern

4 Charges and security

5 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2022	130.469	-5.400.990	-5.270.521
Profit or loss for the year brought forward	0	-1.699.850	-1.699.850
	130.469	**-7.100.840**	**-6.970.371**

Notes

All amounts in DKK.

1. Going concern

As noted in Management's Review additional funding is required in 2023. Until such funding is obtained, the company is managed at a low cost level. In order to ensure that the company has adequate cash to continue operations at this low cost level, two investors have issued a letter of support. This letter of support is valid until 31 December 2023. Based on this, the financial statements have been prepared on a going concern basis.

2. Staff costs

Salaries and wages	856.419	1.186.347
Other costs for social security	4.544	6.816
	860.963	**1.193.163**
Average number of employees	1	2

3. Convertible loans

Total convertible loans	5.984.427	5.754.258
Share of amount due within 1 year	0	0
Total convertible loans	**5.984.427**	**5.754.258**

4. Charges and security

The company has no charges and securities.

5. Contingencies

Contingent liabilities

The company has no contingent liabilities.

Accounting policies

The annual report for Stinto ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross loss

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

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

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

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

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Research and development costs

Research and development costs comprise costs, salaries, and wages and depreciation directly or indirectly attributable to the company's research and development activities.

Research costs are recognised in the income statement in the year incurred. Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. Furthermore, there must be a proven correlation between the costs incurred and future earnings. However, lack of official approvals, customer approvals, and other uncertainties will often imply that the requirements for recognition as assets are not met and that development costs are charged to the income statement as incurred.

Financial income and expenses

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

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Accounting policies

Impairment loss relating to non-current assets

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

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

Investments

Deposits

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

Receivables

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

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

Prepayments

Prepaymentsrecognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Income tax and deferred tax

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

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

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

Accounting policies

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

Liabilities other than provisions

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