Stinto ApS

Strandvænget 41, 2960 Rungsted Kyst

Company reg. no. 38 29 25 60

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 21 May 2021.

Kåre Sand
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 report

Today, the board of directors and the managing director have presented the annual report of Stinto ApS for the financial year 1 January - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Rungsted Kyst, 21 May 2021

Managing Director

Kåre Sand
CEO

Board of directors

Kåre Sand Chairman	Stuart 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 2020, which comprise income statement, statement of financial position, statement of changes in equity, notes and accounting policies. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section “Auditor’s responsibilities for the audit of the financial statements”. We are independent of the company in accordance with international ethical requirements for auditors (IESBA’s Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 21 May 2021

Redmark
State Authorised Public Accountants
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 2020 - 31 December 2020 4th financial year
Board of directors	Kåre Sand, Chairman Stuart Aagaard Claus Jønck	
Managing Director	Kåre Sand, CEO	
Auditors	Redmark Statsautoriseret Revisionspartnerselskab Dirch Passers Allé 76 2000 Frederiksberg	

Management commentary

The principal activities of the company

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

Organisation: In line with the plan to focus on commercial activities in 2020, we started to transition the development team from permanent to freelance resources. As covid-19 took hold in March, we had few full-time resources employed. We sent one employee home for a month, under the government's support scheme, and delayed plans to hire in additional resources.

Product: The product has been very stable throughout the year and continues to perform with few to no interruptions. During the year we developed a "connector" for Salesforce, which is now pending approval by Salesforce, allowing us to become an approved ISV (Independent Software Vendor) to Salesforce and to have Stinto positioned on Salesforce App Exchange. Towards the end of the year we initiated a review of UI/UX and based on that started a redesign of the app, for release in 2021.

Funding: We were able to manage the initial lockdown period with limited fixed cost. We did complete another funding round, which brought in a number of new, small investors and provided funding which should last us through towards the end of 2021.

Commercial: Activity was tracking quite well in the first two months of the year, however, covid-19 resulted in a severe setback and we only really ramped up our commercial activity again towards the end of the year. We did make commercial progress, however, it is clear that it has become more difficult to get attention from customers who are preoccupied with their own business activities being impacted by the crisis, and sales cycles, especially for large companies who we have been targeting, are long.

Overall, the year was very difficult and we lost significant traction due to covid-19. Our resources have been stretched and we have had a critical delay in commercial traction. In sum, the year was not satisfactory, however, mainly due to external and unforeseen circumstances. 2021 will also be a difficult year and the result is highly dependent upon how and to which extend the negative effects of covid-19 on general business activities can be mitigated.

Development in activities and financial matters

Income or loss from ordinary activities after tax totals DKK -4.124.000 against DKK -4.877.000 last year. Management considers the net profit or loss for the year unsatisfactory. The management will initiate additional commercial activities to ensure growth in 2021.

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		2020	2019
	Gross loss	**-1.267.588**	**-557.375**
2	Staff costs	-1.736.896	-1.517.830
	Depreciation and impairment of property, land, and equipment	-26.605	-23.770
	Research and development costs	-866.257	-3.424.015
	Operating profit	**-3.897.346**	**-5.522.990**
	Other financial costs	-226.633	-107.657
	Pre-tax net profit or loss	**-4.123.979**	**-5.630.647**
	Tax on net profit or loss for the year	0	753.283
	Net profit or loss for the year	**-4.123.979**	**-4.877.364**
	Proposed appropriation of net profit:		
	Allocated from retained earnings	-4.123.979	-4.877.364
	Total allocations and transfers	**-4.123.979**	**-4.877.364**

Statement of financial position at 31 December

All amounts in DKK.

Assets

Note		2020	2019
	Non-current assets		
	Other fixtures and fittings, tools and equipment	27.080	53.685
	Total property, plant, and equipment	27.080	53.685
	Deposits	36.000	0
	Total investments	36.000	0
	Total non-current assets	**63.080**	**53.685**
	Current assets		
	Prepayments for goods	0	95.172
	Total inventories	0	95.172
	Trade receivables	2.771	2.771
	Income tax receivables	753.282	1.575.618
	Other receivables	246.705	227.046
	Total receivables	1.002.758	1.805.435
	Cash on hand and demand deposits	3.568.999	1.626.430
	Total current assets	**4.571.757**	**3.527.037**
	Total assets	**4.634.837**	**3.580.722**

Statement of financial position at 31 December

All amounts in DKK.

Note	Equity and liabilities	2020	2019
	Equity		
	Contributed capital	130.469	116.282
	Retained earnings	-1.839.585	-2.581.747
	Total equity	**-1.709.116**	**-2.465.465**
	Liabilities other than provisions		
3	Payables to associates	5.532.941	5.320.136
4	Other payables	0	175.117
	Total long term liabilities other than provisions	5.532.941	5.495.253
	Current portion of long term payables	77.514	0
	Trade payables	541.640	168.668
	Other payables	191.858	382.266
	Total short term liabilities other than provisions	811.012	550.934
	Total liabilities other than provisions	**6.343.953**	**6.046.187**
	Total equity and liabilities	**4.634.837**	**3.580.722**

1 Special items

5 Charges and security

6 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 January 2020	130.469	0	-2.581.747	-2.451.278
Cash capital increase	0	4.866.141	0	4.866.141
Profit or loss for the year brought forward	0	0	-4.123.979	-4.123.979
Transferred to results brought forward	0	-4.866.141	4.866.141	0
	130.469	**0**	**-1.839.585**	**-1.709.116**

Notes

All amounts in DKK.

1. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

As mentioned in the management commentary, the net profit or loss for the year is affected by a number of factors that differ from what is considered by management to be part of operating activities.

Special items for the year are specified below, indicating where they are recognised in the income statement.

	2020	2019
Income:		
Compensation Covid-19	55.161	0
	55.161	0
Special items are recognised in the following items in the financial statements:		
Gross loss	55.161	0
Profit of special items, net	**55.161**	**0**

2. Staff costs

Salaries and wages	1.726.861	1.500.411
Other costs for social security	10.035	17.419
	1.736.896	**1.517.830**
Average number of employees	3	5

3. Payables to associates

Total payables to associates	5.532.941	5.320.136
Share of amount due within 1 year	0	0
Total payables to associates	**5.532.941**	**5.320.136**
Share of liabilities due after 5 years	5.532.941	5.320.136

Notes

All amounts in DKK.

	31/12 2020	31/12 2019
4. Other payables		
Total other payables	77.514	175.117
Share of amount due within 1 year	-77.514	0
Total other payables	**0**	**175.117**

5. Charges and security

The company has no charges and securities.

6. Contingencies

Contingent liabilities

	31/12 2020 DKK in thousands
Total contingent liabilities	36

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, work performed for own account and 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:

Accounting policies

- 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.

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. Staff costs are less government reimbursements.

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.

Accounting policies

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

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.

Cash on hand and demand deposits

Cash on hand and demand deposits 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.

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.