

Stinto ApS

Strandvænget 41, 2960 Rungsted Kyst

Company reg. no. 38 29 25 60

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 29 May 2020.

Kåre Sand
Chairman of the meeting

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Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Stinto ApS for the financial year 1 January to 31 December 2019.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

The board of directors and the managing director considers the requirements of omission of audit of the annual accounts for 2019 as met.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Rungsted Kyst, 20 May 2020

Managing Director

Stuart Lomax Wynn
CEO

Board of directors

Kåre Sand
Chairman

Tom Sten Behrens-Sørensen

Claus Jønck

Auditor's report on compilation of the annual accounts

To the shareholders of Stinto ApS

We have compiled the annual accounts of Stinto ApS for the period 1 January to 31 December 2019 based on the bookkeeping of the company and on further information you have provided.

The annual accounts comprise the accounting policies used, profit and loss account, balance sheet and notes.

We performed this engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the annual accounts in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.

The annual accounts and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the annual accounts. Accordingly, we do not express an audit opinion or a review conclusion on whether the annual accounts are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 20 May 2020

Redmark

State Authorised Public Accountants
Company reg. no. 29 44 27 89

Mark Leerdrup Hansen

State Authorised Public Accountant
mne19802

Company data

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 2019 - 31 December 2019
3rd financial year

Board of directors

Kåre Sand, Chairman
Tom Sten Behrens-Sørensen
Claus Jønck

Managing Director

Stuart Lomax Wynn, CEO

Auditors

Redmark
Statsautoriseret 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: Additional development resources were added to the team in order to improve the functional capabilities of the solution, and to work to ensuring security and scalability protocols required to meet the needs of large enterprises. Stinto made use of freelance resources to cope with peaks in development activities. Some commercial resources were also hired to start the process of building Stinto's commercial motor. Office space was rented and a formal business address established at Matrikel 1. Towards the end of the year, a plan was laid to transition the team from a "product development" focus, and towards a "commercial focus.

Product development: There was significant and vital progress made across all parts of the solution. New features were added, while security, scalability and stability to handle global scale, and the specific needs of large companies was put in place. A legal framework covering all aspects of GDPR legislation and a robust IT architecture were both put in place, and the solution has now been put through extensive scrutiny by both a large Danish-based and American-based company. Accordingly, we are comfortable that it does indeed have 'enterprise grade' status.

Android was brought up on par with IOS. Testing of the solution was ongoing.

Funding: Business activity was funded through the funding that was secured in July/August 2018, and a new funding round that was successfully completed in July 2019, adding additional minority investors to the company's ownership group.

Commercial: There was significant commercial activity during the last half of 2019. A solid pipeline of opportunities was created with a direct sales effort. Further supporting this, funds were invested into marketing, including the launch of a new website. A number of new customers were brought onboard, including two marquee. Energy was also used on how to "onboard" employees to the solution in the most efficient and effective manner. Initial feedback is very positive, and this will pave the way for strong user and customer growth in 2020

Overall, the year was satisfactory and has laid the foundation for commercial activities, which will be the main focus of 2020.

Development in activities and financial matters

The management considers the results unsatisfactory, and will initiate additional commercial activities to ensure growth in 2020.

Events subsequent to the financial year

Subsequent to year end, there has been an outbreak of COVID19 as a result of the spread of Coronavirus. It is assessed that all the company's market can be affected of the outbreak. Although it is early to assess the effects of this, it is management's opinion, that the outbreak may have significant economic consequences for the coming accounting year.

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Gross loss	-557.375	-639.625
1 Staff costs	-1.517.830	-330.903
Depreciation and writedown relating to tangible fixed assets	-23.770	-2.362
Research and development costs	-3.424.015	-3.737.889
Operating profit	-5.522.990	-4.710.779
Other financial costs	-107.657	-6.032
Results before tax	-5.630.647	-4.716.811
Tax on ordinary results	753.283	822.335
Results for the year	-4.877.364	-3.894.476
 Proposed distribution of the results:		
Allocated from results brought forward	-4.877.364	-3.894.476
Distribution in total	-4.877.364	-3.894.476

Balance sheet 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2019</u>	<u>2018</u>
Fixed assets		
Other plants, operating assets, and fixtures and furniture	53.685	40.161
Tangible fixed assets in total	<u>53.685</u>	<u>40.161</u>
Fixed assets in total	<u>53.685</u>	<u>40.161</u>
Current assets		
Prepayments for goods	95.172	4.716
Inventories in total	<u>95.172</u>	<u>4.716</u>
Trade debtors	2.771	0
Receivable corporate tax	1.575.618	822.335
Other debtors	227.046	441.973
Debtors in total	<u>1.805.435</u>	<u>1.264.308</u>
Available funds	1.626.430	1.428.002
Current assets in total	<u>3.527.037</u>	<u>2.697.026</u>
Assets in total	<u>3.580.722</u>	<u>2.737.187</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities		<u>2019</u>	<u>2018</u>
<u>Note</u>			
Equity			
2	Contributed capital	116.282	116.282
3	Share premium account	0	7.138.066
4	Results brought forward	<u>-2.581.747</u>	<u>-4.842.449</u>
	Equity in total	<u>-2.465.465</u>	<u>2.411.899</u>
Liabilities			
	Debt to associated enterprises	5.320.136	0
	Other debts	<u>175.117</u>	<u>0</u>
	Long-term liabilities in total	<u>5.495.253</u>	<u>0</u>
	Trade creditors	168.668	251.828
	Other debts	<u>382.266</u>	<u>73.460</u>
	Short-term liabilities in total	<u>550.934</u>	<u>325.288</u>
	Liabilities in total	<u>6.046.187</u>	<u>325.288</u>
	Equity and liabilities in total	<u>3.580.722</u>	<u>2.737.187</u>
5	Mortgage and securities		
6	Contingencies		

Notes

All amounts in DKK.

	<u>2019</u>	<u>2018</u>
1. Staff costs		
Salaries and wages	1.500.411	328.063
Other costs for social security	17.419	2.840
	<u>1.517.830</u>	<u>330.903</u>
Average number of employees	<u>5</u>	<u>2</u>
2. Contributed capital		
Contributed capital 1 January 2019	116.282	50.000
Cash capital increase	0	66.282
	<u>116.282</u>	<u>116.282</u>
3. Share premium account		
Share premium account 1 January 2019	7.138.066	450.000
Share premium account for the year	0	6.688.066
Transferred to results brought forward	-7.138.066	0
	<u>0</u>	<u>7.138.066</u>
4. Results brought forward		
Results brought forward 1 January 2019	-4.842.449	-947.973
Profit or loss for the year brought forward	-4.877.364	-3.894.476
Transferred from share premium account	7.138.066	0
	<u>-2.581.747</u>	<u>-4.842.449</u>

Notes

All amounts in DKK.

5. Mortgage and securities

The company has no mortgage and securities.

6. Contingencies

Contingent liabilities

The company has no contingent liabilities.

Accounting policies used

The annual report for Stinto ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Income statement

Gross loss

The gross loss comprises the net turnover, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Accounting policies used

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

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

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Research and development costs

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

Research and development costs are recognised in the profit and loss account in the year they are incurred.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of 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 book value, the amortisation discontinues.

Accounting policies used

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

The cost comprises the acquisition cost and costs directly attached to 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.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	<i>Useful life</i>
<i>Other plants, operating assets, fixtures and furniture</i>	<i>3-5 years</i>

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Available funds

Available funds comprise cash at bank and in hand.

Accounting policies used

Equity

Share premium

Share premium comprises amounts paid as premium in connection with the issue of shares. Costs in connection with a carried through issue are deducted in the premium. The premium reserve may be utilised as dividend, issue of bonus shares, and for payment of losses.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, 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.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Also capitalised residual leasing liabilities in connection with financial leasing contracts are recognised in the financial liabilities.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.