

Bending Spoons Apps IVS

Store Kongensgade 40 D, 2.
1264 København

CVR no. 38 80 79 27

Annual report 2019

The annual report was presented and approved at the
Company's annual general meeting on

29 May 2020

Giovanni La Forgia
chairman

Contents

Statement by the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Operating review	6
Financial statements 1 January – 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	9
Notes	10

Bending Spoons Apps IVS
Annual report 2019
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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Bending Spoons Apps IVS for the financial year 1 January – 31 December 2019.

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

In my opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019.

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

I recommend that the annual report be approved at the annual general meeting.

Copenhagen 29 May 2020
Executive Board:

Giovanni La Forgia
Director

Independent auditor's report

To the shareholders of Bending Spoons Apps IVS

Opinion

We have audited the financial statements of Bending Spoons Apps IVS for the financial year 1 January – 31 December 2019 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 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 rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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

Independent auditor's report

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 the Management's review

Management is responsible for the Management's review.

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

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

Copenhagen, 29 May 2020

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

Bending Spoons Apps IVS
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Management's review

Company details

Bending Spoons Apps IVS
Store Kongensgade 40 D, 2.
1264 København

CVR no.: 38 80 79 27
Financial year: 1 January – 31 December

Executive Board

Giovanni La Forgia, Director

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen

Management's review

Operating review

Principal activities

Bending Spoons Apps IVS's primary activity is sale of software, apps and similar products.

Results for the year

The Company's income statement for 2019 shows a profit of DKK 4,465,314 as against DKK 1,486,467 in 2018. Equity in the Company's balance sheet at 31 December 2019 stood at DKK 4,551,781 as against DKK 1,536,467 at 31 December 2018.

Events after the balance sheet date

As of the signing date, the COVID-19 pandemic has not had any negative effects on the Company's subsequent operations. It is, however, still unknown what effect COVID-19 will have on results for the coming year.

Apart from above, no significant events have occurred after the balance sheet date, which could influence the evaluation of the Company's financial position at 31 December 2019.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2019	2018
Gross profit		6,124,481	1,875,671
Financial income		168,125	30,913
Financial expenses		<u>-567,845</u>	<u>-857</u>
Profit before tax		5,724,761	1,905,727
Tax on profit for the year	2	<u>-1,259,447</u>	<u>-419,260</u>
Profit for the year		<u>4,465,314</u>	<u>1,486,467</u>
Proposed profit appropriation			
Proposed dividends for the year		0	1,450,000
Retained earnings		<u>4,465,314</u>	<u>36,467</u>
		<u>4,465,314</u>	<u>1,486,467</u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2019	31/12 2018
ASSETS			
Current assets			
Receivables			
Trade receivables		23,542,495	12,889,926
Other receivables		2,904	925
		<u>23,545,399</u>	<u>12,890,851</u>
Cash at bank and in hand		<u>8,097,705</u>	<u>14,343,921</u>
Total current assets		<u>31,643,104</u>	<u>27,234,772</u>
TOTAL ASSETS		<u>31,643,104</u>	<u>27,234,772</u>
EQUITY AND LIABILITIES			
Equity			
Contributed capital		1	1
Reserve for entrepreneurial company		39,999	49,999
Retained earnings		4,511,781	36,467
Proposed dividends for the financial year		0	1,450,000
Total equity		<u>4,551,781</u>	<u>1,536,467</u>
Liabilities			
Current liabilities			
Payables to group entities		25,292,768	25,246,787
Corporation tax		1,698,965	439,518
Other payables		99,590	12,000
		<u>27,091,323</u>	<u>25,698,305</u>
Total liabilities		<u>27,091,323</u>	<u>25,698,305</u>
TOTAL EQUITY AND LIABILITIES		<u>31,643,104</u>	<u>27,234,772</u>
Contractual obligations, contingencies, etc.	3		
Related party disclosures	4		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	<u>Contributed capital</u>	<u>Reserve for entrepreneu- rial company</u>	<u>Retained earnings</u>	<u>Proposed dividends for the financial year</u>	<u>Total</u>
Equity at 1 January 2019	1	49,999	36,467	1,450,000	1,536,467
Ordinary dividends paid	0	0	0	-1,450,000	-1,450,000
Transferred over the profit appropriation	<u>0</u>	<u>-10,000</u>	<u>4,475,314</u>	<u>0</u>	<u>4,465,314</u>
Equity at 31 December 2019	<u><u>1</u></u>	<u><u>39,999</u></u>	<u><u>4,511,781</u></u>	<u><u>0</u></u>	<u><u>4,551,781</u></u>

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Bending Spoons Apps IVS for 2019 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Change in comparative figures

Change in comparative figures comprises reclassifications of prior years' liabilities.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Income from the sale of goods, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Other external costs

Other external costs comprise administration and office premises.

Financial income and expenses

Financial income and expenses comprise interest income and expense and gains and losses on transactions denominated in foreign currencies.

Tax on profit for the year

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

2 Tax on profit for the year

DKK	2019	2018
Current tax for the year	<u>1,259,447</u>	<u>419,260</u>
	<u>1,259,447</u>	<u>419,260</u>

3 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is jointly taxed with other group companies and is jointly liable with the other group companies for payable and unsettled corporation and withholding taxes. The total amount for payable corporate tax is shown in the annual report for BSP DK, branch of Bending Spoons S.P.A., Italy. Any subsequent corrections to the corporate tax and withholding taxes can lead to an increased liability for the Company.

4 Related party disclosures

Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

Consolidated financial statements

The Company is part of the consolidated financial statements for Bending Spoons S.p.A.