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# ***LK Systems ApS***

Kristianiagade 1, DK-2100 København Ø

## **Annual Report for 2021**

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CVR No 33 87 90 91

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
13/7 2022

Nickolai Arnfeldt Hoff  
Chairman of the General  
Meeting



**pwc**

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# **Management's Statement**

The Executive Board has today considered and adopted the Annual Report of LK Systems ApS for the financial year 1 January - 31 December 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 13 July 2022

## **Executive Board**

Nickolai Arnfeldt Hoff  
Executive Officer

# Independent Auditor's Report

To the Shareholder of LK Systems ApS

## Report on the Financial Statements

### Qualified Opinion

In our opinion, except of the potential effects of the matter described in the Basis for qualified opinion paragraph, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of LK Systems ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

### Basis for Qualified Opinion

With reference to our Independent Auditor's Report in the Annual Report for 2020, we did not obtain sufficient and adequate audit evidence in respect of adjustments to the Trade receivables, Trade payables and related VAT balances as well as Corporation tax balances as of 31 December 2019 and therefore were not able to determine whether adjustments were necessary including the possible effect on the Income Statement for 2020 and the Balance sheet as of 31 December 2020 in respect of Other debt and Corporation tax. As we are not able to determine the potential impact of these adjustments on the comparative figures in the Annual Report for 2021, we modify our opinion in respect of these matters.

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 qualified opinion.

### 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 re-

# Independent Auditor's Report

quired under the Danish Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

## **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.

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 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 pre-

## Independent Auditor's Report

paring 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.

### Reporting obligations under section 7(2) of the Danish Executive Order on Approved Auditors' Reports

#### Non-compliance with the Danish accounting legislation

With reference to the matter as described under the "Basis for qualified opinion" paragraph, it is our assessment that Management has not complied with the rules in the Danish Accounting Act in terms of arrangement of proper bookkeeping in accordance with generally accepted accounting practices. Consequently, Management can be held liable in this respect.

Hellerup, 13 July 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Søren Alexander  
State Authorised Public Accountant  
mne42824

Pawel C. Michalak  
State Authorised Public Accountant  
mne48479

## **Company Information**

### **The Company**

LK Systems ApS  
Kristianiagade 1  
DK-2100 København Ø

CVR No: 33 87 90 91  
Financial period: 1 January - 31 December  
Incorporated: 1 September 2011  
Financial year: 10th financial year  
Municipality of reg. office: Copenhagen

### **Executive Board**

Nickolai Arnfeldt Hoff

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

# Management's Review

## Key activities

The company's main activity is to operate as an IT company as well as any related business hereto.

## Development in the year

The income statement of the Company for 2021 shows a profit of DKK 539,724, and at 31 December 2021 the balance sheet of the Company shows negative equity of DKK 7,216,047.

The achieved results are below expectations for FY21, however, Management is satisfied with the profit generated by the Company.

The Company's activities have been significantly impacted by the Covid-19 lockdown in the first half of FY21, in particular due to the limited activity in the travel industry on which the Company's activities are highly dependent.

Starting from the summer of FY21, the activities improved significantly as restrictions were eased and with a combined focus on adapting the Company's costs to the lower activity, the Company was able to generate a significant profit for FY21.

## Expectations for the year ahead

An EBITDA near DKK 3m is expected for FY22.

## Capital resources

The Company has lost its share capital. Management expects to recover the share capital through improved earnings and/or capital contributions. Furthermore, the Parent Company, Dotcom Capital ApS, has provided a letter of support until 31 December 2022 and therefore, the financial statements have been prepared under the assumption of going concern.

## Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



## Income Statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
<b>Gross profit/loss</b>		<b>2.611.165</b>	<b>8.086.200</b>
Staff expenses	2	-681.951	-10.383.394
<b>Profit/loss before depreciation, amortisation and impairment (EBITDA)</b>		<b>1.929.214</b>	<b>-2.297.194</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-688.762	-1.074.818
<b>Profit/loss before financial income and expenses</b>		<b>1.240.452</b>	<b>-3.372.012</b>
Financial income		274.386	508.837
Financial expenses		-975.114	-364.698
<b>Profit/loss before tax</b>		<b>539.724</b>	<b>-3.227.873</b>
Tax on profit/loss for the year		0	84.512
<b>Net profit/loss for the year</b>		<b>539.724</b>	<b>-3.143.361</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		539.724	-3.143.361
		<b>539.724</b>	<b>-3.143.361</b>

# Balance Sheet 31 December

## Assets

	Note	2021 DKK	2020 DKK
Completed development projects		2.066.288	2.755.050
<b>Intangible assets</b>	3	<b>2.066.288</b>	<b>2.755.050</b>
Other fixtures and fittings, tools and equipment		0	181.318
<b>Property, plant and equipment</b>		<b>0</b>	<b>181.318</b>
Deposits		0	134.021
Trade receivables		3.059.582	0
<b>Fixed asset investments</b>		<b>3.059.582</b>	<b>134.021</b>
<b>Fixed assets</b>		<b>5.125.870</b>	<b>3.070.389</b>
<b>Inventories</b>		<b>0</b>	<b>17.208</b>
Trade receivables		6.442.633	5.258.428
Receivables from group enterprises		11.728.606	12.692.113
Other receivables		12.043	0
Receivable from shareholders and Management	4	0	1.106.225
Prepayments		0	3.600
<b>Receivables</b>		<b>18.183.282</b>	<b>19.060.366</b>
<b>Cash at bank and in hand</b>		<b>147.671</b>	<b>69.875</b>
<b>Currents assets</b>		<b>18.330.953</b>	<b>19.147.449</b>
<b>Assets</b>		<b>23.456.823</b>	<b>22.217.838</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		160.000	160.000
Reserve for development costs		1.611.705	2.148.939
Retained earnings		-8.987.752	-10.064.714
<b>Equity</b>		<b>-7.216.047</b>	<b>-7.755.775</b>
Provision for deferred tax		169.369	169.369
<b>Provisions</b>		<b>169.369</b>	<b>169.369</b>
Trade payables		5.895.961	0
Other payables		951.795	668.700
<b>Long-term debt</b>	5	<b>6.847.756</b>	<b>668.700</b>
Credit institutions		17.419	86.957
Trade payables	5	10.228.994	13.801.397
Payables to group enterprises		9.670.961	7.914.851
Payables to owners and Management		657	0
Payables to group enterprises relating to corporation tax		962.375	962.375
Other payables	5	2.727.960	6.369.964
Deferred income		47.379	0
<b>Short-term debt</b>		<b>23.655.745</b>	<b>29.135.544</b>
<b>Debt</b>		<b>30.503.501</b>	<b>29.804.244</b>
<b>Liabilities and equity</b>		<b>23.456.823</b>	<b>22.217.838</b>
Going concern	1		
Contingent assets, liabilities and other financial obligations	6		
Accounting Policies	7		

## Statement of Changes in Equity

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	160.000	2.148.939	-10.064.710	-7.755.771
Development costs for the year	0	-537.234	537.234	0
Net profit/loss for the year	0	0	539.724	539.724
<b>Equity at 31 December</b>	<b>160.000</b>	<b>1.611.705</b>	<b>-8.987.752</b>	<b>-7.216.047</b>

# Notes to the Financial Statements

## 1 Going concern

The Company has lost its share capital and is dependent on further financing to continue its operations. The parent company, Dotcom Capital ApS, has provided a letter of support until 31 December 2022 giving its commitment for further financing so that the Company may pay its obligations as they fall due. Consequently, the financial statements have been prepared under the assumption of going concern.

	<u>2021</u> DKK	<u>2020</u> DKK
<b>2 Staff expenses</b>		
Wages and salaries	545.093	9.410.919
Pensions	59.749	671.123
Other social security expenses	50.346	0
Other staff expenses	26.763	301.352
	<b><u>681.951</u></b>	<b><u>10.383.394</u></b>
<b>Average number of employees</b>	<b><u>4</u></b>	<b><u>20</u></b>

## 3 Intangible assets

	<u>Completed development projects</u> DKK
Cost at 1 January	<u>5.371.592</u>
Cost at 31 December	<u>5.371.592</u>
Impairment losses and amortisation at 1 January	2.616.542
Amortisation for the year	<u>688.762</u>
Impairment losses and amortisation at 31 December	<u>3.305.304</u>
<b>Carrying amount at 31 December</b>	<b><u>2.066.288</u></b>
Amortised over	<u>5 years</u>

Completed development projects relate to infrastructure for affiliate based loyalty programs.

## Notes to the Financial Statements

### 4 Receivable from shareholders and Management

	Executive Officer <u>DKK</u>
Debt as per balance sheet date	<u>0</u>
Paid during the year	<u>1.106.225</u>
Interest for the year	<u>99.497</u>
The debt carried interest at	<u>10,05%</u>

### 5 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2021</u> DKK	<u>2020</u> DKK
<b>Trade payables</b>		
Between 1 and 5 years	5.895.961	0
Long-term part	<u>5.895.961</u>	<u>0</u>
Other short-term trade payables	<u>10.228.994</u>	<u>13.801.397</u>
	<b><u>16.124.955</u></b>	<b><u>13.801.397</u></b>
<b>Other payables</b>		
Between 1 and 5 years	951.795	668.700
Long-term part	<u>951.795</u>	<u>668.700</u>
Other short-term payables	<u>2.727.960</u>	<u>6.369.964</u>
	<b><u>3.679.755</u></b>	<b><u>7.038.664</u></b>

## Notes to the Financial Statements

	2021 DKK	2020 DKK
<b>6 Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	0	258.075
	<b>0</b>	<b>258.075</b>
<b>Other contingent liabilities</b>		

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Dotcom Capital ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

# Notes to the Financial Statements

## 7 Accounting Policies

The Annual Report of LK Systems ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.



# Notes to the Financial Statements

## 7 Accounting Policies (continued)

### Income Statement

#### Revenue

Revenue from the sale of services is recognised when the risks and rewards relating to the services sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

#### Expenses for consumables

Expenses for consumables comprise the consumables consumed to achieve revenue for the year.

#### Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, administration, etc.

#### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for consumables and other external expenses.

#### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

#### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

#### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including re-invoiced expenses, subsidies from the Danish Innovation Foundation and COVID-19 salary compensation.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

# Notes to the Financial Statements

## 7 Accounting Policies (continued)

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance Sheet

### Intangible assets

#### *Development projects, patents and licences*

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item "Reserve for development costs". The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 years.

Patents and licences are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is years. Software licences are amortised over the period of the agreement, which is 5 years.

# Notes to the Financial Statements

## 7 Accounting Policies (continued)

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5	years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

### Fixed asset investments

Fixed asset investments consist of deposits.

### Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

# Notes to the Financial Statements

## 7 Accounting Policies (continued)

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

### Deferred income

Deferred income comprises payments received in respect of income in subsequent years.