Loyalty Key Cardlinked ApS

Amerika Plads 19, 4.
DK-2100 København Ø

Annual Report for 2022

CVR No 35 23 95 02

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 30/6 2023

Nickolai Arnfeldt Hoff
Chairman of the General Meeting

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Loyalty Key Cardlinked ApS for the financial year 1 January - 31 December 2022.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

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

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

Copenhagen, 30 June 2023

Executive Board

Nickolai Arnfeldt Hoff
Executive Officer

Board of Directors

Mads Emil Fast Dahlerup Chairman	Nickolai Arnfeldt Hoff	Casper Ravn-Sørensen

Independent Auditor's Report

To the Shareholders of Loyalty Key Cardlinked ApS

Opinion
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.

We have audited the Financial Statements of Loyalty Key Cardlinked ApS for the financial year 1 January - 31 December 2022, 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 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.

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 required 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.

Independent Auditor's Report

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.

Independent Auditor's Report

- 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.

Hellerup, 30 June 2023
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	Loyalty Key Cardlinked ApS Amerika Plads 19, 4. DK-2100 København Ø CVR No: 35 23 95 02 Financial period: 1 January - 31 December Incorporated: 10 May 2013 Financial year: 10th financial year Municipality of reg. office: Copenhagen
Board of Directors	Mads Emil Fast Dahlerup, Chairman Nickolai Arnfeldt Hoff Casper Ravn-Sørensen
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 the development, maintenance, operation, updating, marketing, sales and distribution of loyalty programs.

Development in the year

The income statement of the Company for 2022 shows a loss of DKK 11,392,004, and at 31 December 2022 the balance sheet of the Company shows negative equity of DKK 14,692,249.

Capital resources

The Company has lost its share capital due to significant losses recognised in recent years. Management has made a prioritised plan for the Company regarding platform launches and conversion of current pipeline in order for the Company to reach a monthly break even before the end of 2023 or in early 2024. Nevertheless, until then, Management has assessed that significant liquidity is needed to continue operations and carry out planned activities to achieve a profitable business. Therefore, a liquidity forecast has been prepared in order to assess the total needs and to plan for a reestablishment of the lost share capital. As described in the section "Subsequent events", after year end, debt conversion of DKK 3.8 million and cash capital contribution with a total liquidity impact of DKK 20 million have been made. Following these measures, the share capital has been reestablished and Management believes that sufficient funding has been secured to continue operations as planned in 2023.

Subsequent events

After the balance sheet date, the Company's share capital has been increased with a nominal value of DKK 88,443 through conversion of payables to group enterprises to equity and cash capital increases resulting in a cash contribution of DKK 20 million.

Other than this, no events materially affecting the assessment of the Annual Report have occured after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2022	2021
		DKK	DKK
Gross profit/loss		**-2,840,224**	**-3,618,541**
Staff expenses	2	-8,254,906	-8,541,777
Profit/loss before depreciation, amortisation and impairment (EBITDA)		**-11,095,130**	**-12,160,318**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-131,437	-797,467
Profit/loss before financial income and expenses		**-11,226,567**	**-12,957,785**
Financial income		15,692	3,411
Financial expenses		-181,129	-116,542
Profit/loss before tax		**-11,392,004**	**-13,070,916**
Tax on profit/loss for the year		0	0
Net profit/loss for the year		**-11,392,004**	**-13,070,916**

Distribution of profit

Proposed distribution of profit		
Retained earnings	-11,392,004	-13,070,916
	-11,392,004	**-13,070,916**

Balance Sheet 31 December

Assets

	Note	2022	2021
		DKK	DKK
Completed development projects		1,652,134	0
Intangible assets	3	**1,652,134**	**0**
Other fixtures and fittings, tools and equipment		42,360	56,480
Property, plant and equipment	4	**42,360**	**56,480**
Fixed assets		**1,694,494**	**56,480**
Trade receivables		893,525	493,147
Receivables from group enterprises		22,271	72,372
Other receivables		683,937	696,602
Prepayments		217,500	0
Receivables		**1,817,233**	**1,262,121**
Cash at bank and in hand		**234,791**	**208,129**
Currents assets		**2,052,024**	**1,470,250**
Assets		**3,746,518**	**1,526,730**

Balance Sheet 31 December

Liabilities and equity

	Note	2022	2021
		DKK	DKK
Share capital		103,374	80,259
Reserve for development costs		1,288,665	0
Retained earnings		-16,084,288	-17,780,504
Equity		**-14,692,249**	**-17,700,245**
Credit institutions		0	500,000
Payables to group enterprises		0	8,775,060
Long-term debt	5	**0**	**9,275,060**
Credit institutions	5	500,000	1,000,000
Trade payables		2,110,269	1,018,861
Payables to group enterprises	5	7,169,508	320,389
Payables to owners and Management		185,062	188,062
Other payables		8,473,928	7,424,603
Short-term debt		**18,438,767**	**9,951,915**
Debt		**18,438,767**	**19,226,975**
Liabilities and equity		**3,746,518**	**1,526,730**
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	80,259	0	-17,780,504	-17,700,245
Cash capital increase	6,421	0	3,993,579	4,000,000
Debt conversion	16,694	0	10,383,306	10,400,000
Development costs for the year	0	1,288,665	-1,288,665	0
Net profit/loss for the year	0	0	-11,392,004	-11,392,004
Equity at 31 December	**103,374**	**1,288,665**	**-16,084,288**	**-14,692,249**

Notes to the Financial Statements

1 Going concern

As of 31 December 2022, the Company has negative equity of DKK 14,692,249 and is therefore covered by section 119 of the Danish Companies Act. After the balance sheet date, in May and June 2023, a cash capital increase resulting in a total cash contribution of DKK 20 million was made and furthermore, intercompany balances of DKK 3.8 million were converted to equity, whereby the equity will be reestablished.

For 2023, Management expects an EBITDA on same level as for FY22, however Management expects to reach break-even within 6-12 months. Management has therefore considered the liquidity needs of the Company based on a liquidity forecast for 2023. Accordingly, Management has carried out above-mentioned fund raise including a cash contribution of DKK 20 million. Management is therefore confident that sufficient funding has been secured for the operations in 2023 and to execute the plan to achieve a profitable business.

2 Staff expenses

	2022 DKK	2021 DKK
Wages and salaries	7,734,808	8,134,320
Pensions	362,017	295,473
Other social security expenses	148,847	109,228
Other staff expenses	9,234	2,756
	8,254,906	**8,541,777**
Average number of employees	**17**	**15**

Notes to the Financial Statements

3 Intangible assets

	Completed development projects
	DKK
Cost at 1 January	3,916,731
Additions for the year	1,769,451
Cost at 31 December	5,686,182
Impairment losses and amortisation at 1 January	3,916,731
Amortisation for the year	117,317
Impairment losses and amortisation at 31 December	4,034,048
Carrying amount at 31 December	**1,652,134**
Amortised over	5 years

Development projects relate to the Cashback point platform.

4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	70,600
Cost at 31 December	70,600
Impairment losses and depreciation at 1 January	14,120
Depreciation for the year	14,120
Impairment losses and depreciation at 31 December	28,240
Carrying amount at 31 December	**42,360**

Notes to the Financial Statements

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:

	2022	2021
	DKK	DKK
Credit institutions		
Between 1 and 5 years	0	500,000
Long-term part	0	500,000
Other short-term debt to credit institutions	500,000	1,000,000
	500,000	**1,500,000**
Payables to group enterprises		
Between 1 and 5 years	0	8,775,060
Long-term part	0	8,775,060
Other short-term debt to group enterprises	7,169,508	320,389
	7,169,508	**9,095,449**

6 Contingent assets, liabilities and other financial obligations

Contingent assets

Contingent liabilities

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 Loyalty Key Cardlinked ApS for 2022 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 2022 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.

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.

Other external expenses

Other external expenses comprise costs related to administration and office expenses, etc.

Notes to the Financial Statements

7 Accounting Policies (continued)

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 administration fees and income from re-invoiced costs, etc.

Financial income and expenses

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

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

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 re-

Notes to the Financial Statements

7 **Accounting Policies** (continued)

cognised 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.

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.

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	5	years

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 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.

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.

Notes to the Financial Statements

7 Accounting Policies (continued)

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.

Financial debts

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