

Loylogic Denmark ApS

Borupvang 3, 2750 Ballerup

Company reg. no. 35 66 55 95

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 17 June 2020.

Dominic Hofer

Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS British 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 %.

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Management's report

The managing director has today presented the annual report of Loylogic Denmark 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.

I consider the accounting policies used appropriate, and in my 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.

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

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

Ballerup, 17 June 2020

Managing Director

Dominic Hofer

Independent auditor's report

To the shareholders of Loylogic Denmark ApS

Opinion

We have audited the annual accounts of Loylogic Denmark ApS for the financial year 1 January to 31 December 2019, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts 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 to 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 and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts 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 may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

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 evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 17 June 2020

BRANDT

Company reg. no. 25 49 21 45

Peter Arent Benkjer

State Authorised Public Accountant
mne35785

Company information

| | |
|--------------------------|---|
| The company | Loylogic Denmark ApS Borupvang 3 2750 Ballerup |
| | Company reg. no. 35 66 55 95 Domicile: Ballerup Financial year: 1 January 2019 - 31 December 2019 |
| Managing Director | Dominic Hofer |
| Auditors | BRANDT, Statsautoriseret Revisionspartnerselskab Ved Vesterport 6, 5. sal 1612 København V |
| Bankers | Danske Bank |
| Parent company | Loylogic Holding AG c/o Audit Zug AG, Bahnhofstrasse 16, 6301 Zug, Switzerland |

Management commentary

The principal activities of the company

The company's principal is to provide marketing services and run loyalty solutions and other webbased consumer apps and other related activity.

Development in activities and financial matters

The gross profit for the year is DKK 2.807.769 against DKK 2.725.549 last year. The results from ordinary activities after tax are DKK 84.784 against DKK 123.658 last year. The management consider the results satisfactory.

Events subsequent to the financial year

Loylogic Denmark ApS is, like many others companies, currently facing the challenge of the spreading COVID-19 (the Corona-virus). We see the spread of the virus in many of the worlds countries and the implementation of measures around the world to reduce the impact on the society and business. The company is aware of any impact on the activity of the COVID-19 virus and is prepared to to make necessary adjustments, should this prove necessary.

Accounting policies

The annual report for Loylogic Denmark 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 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.

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

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Income statement

Gross profit

Gross profit 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.

Accounting policies

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other external costs comprise costs for sales, transportation, administration and premises.

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.

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 concern the financial year.

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

Financial fixed assets

Deposits

Deposits are measured at amortised cost and represent rent deposits etc.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Accounting policies

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.

Liabilities

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

Income statement 1 January - 31 December

All amounts in DKK.

| <u>Note</u> | <u>2019</u> | <u>2018</u> |
|--|----------------------|-----------------------|
| Gross profit | 2.807.769 | 2.725.549 |
| 1 Staff costs | <u>-2.634.465</u> | <u>-2.494.760</u> |
| Operating profit | 173.304 | 230.789 |
| 2 Other financial costs | <u>-63.902</u> | <u>-70.543</u> |
| Pre-tax net profit or loss | 109.402 | 160.246 |
| 3 Tax on ordinary results | <u>-24.618</u> | <u>-36.588</u> |
| Profit or loss from ordinary activities after tax | 84.784 | 123.658 |
| Net profit or loss for the year | <u>84.784</u> | <u>123.658</u> |
| Proposed appropriation of net profit: | | |
| Transferred to retained earnings | <u>84.784</u> | <u>123.658</u> |
| Total allocations and transfers | <u>84.784</u> | <u>123.658</u> |

Statement of financial position at 31 December

All amounts in DKK.

| Assets | | |
|--------------------------------------|-----------------------|-----------------------|
| <u>Note</u> | <u>2019</u> | <u>2018</u> |
| Non-current assets | | |
| 4 Deposits | 22.274 | 22.274 |
| Total investments | <u>22.274</u> | <u>22.274</u> |
| Total non-current assets | <u>22.274</u> | <u>22.274</u> |
| Current assets | | |
| Amounts owed by group enterprises | 316.921 | 446.462 |
| Receivable corporate tax | 10.000 | 0 |
| Other debtors | 34.567 | 51.303 |
| Accrued income and deferred expenses | 63.967 | 108.493 |
| Total receivables | <u>425.455</u> | <u>606.258</u> |
| Available funds | <u>536.405</u> | <u>324.400</u> |
| Total current assets | <u>961.860</u> | <u>930.658</u> |
| Total assets | <u>984.134</u> | <u>952.932</u> |

Statement of financial position at 31 December

All amounts in DKK.

| Equity and liabilities | | |
|--|-----------------------|-----------------------|
| <u>Note</u> | <u>2019</u> | <u>2018</u> |
| Equity | | |
| Contributed capital | 50.000 | 50.000 |
| Results brought forward | 492.143 | 407.359 |
| Total equity | <u>542.143</u> | <u>457.359</u> |
| | | |
| Liabilities other than provisions | | |
| Trade creditors | 30.754 | 30.190 |
| Corporate tax | 24.618 | 26.740 |
| Other debts | 386.619 | 438.643 |
| Total short term liabilities other than provisions | <u>441.991</u> | <u>495.573</u> |
| | | |
| Total liabilities other than provisions | <u>441.991</u> | <u>495.573</u> |
| | | |
| Total equity and liabilities | <u>984.134</u> | <u>952.932</u> |

5 Contingencies

Statement of changes in equity

All amounts in DKK.

| | <u>Contributed capital</u> | <u>Retained earnings</u> | <u>Total</u> |
|---|----------------------------|--------------------------|----------------|
| Equity 1 January 2018 | 50.000 | 283.701 | 333.701 |
| Profit or loss for the year brought forward | 0 | 123.658 | 123.658 |
| Equity 1 January 2019 | 50.000 | 407.359 | 457.359 |
| Profit or loss for the year brought forward | 0 | 84.784 | 84.784 |
| | 50.000 | 492.143 | 542.143 |

Notes

All amounts in DKK.

| | <u>2019</u> | <u>2018</u> |
|---|-------------------------|-------------------------|
| 1. Staff costs | | |
| Salaries and wages | 2.400.628 | 2.262.945 |
| Pension costs | 222.396 | 220.740 |
| Other costs for social security | 4.547 | 4.542 |
| Other staff costs | 6.894 | 6.533 |
| | <u>2.634.465</u> | <u>2.494.760</u> |
| | | |
| Average number of employees | <u>2</u> | <u>2</u> |
| | | |
| 2. Other financial costs | | |
| Financial costs, group enterprises | 63.154 | 69.461 |
| Other financial costs | 748 | 1.082 |
| | <u>63.902</u> | <u>70.543</u> |
| | | |
| 3. Tax on ordinary results | | |
| Tax of the results for the year, parent company | 24.618 | 36.740 |
| Adjustment of tax for previous years | 0 | -152 |
| | <u>24.618</u> | <u>36.588</u> |
| | | |
| 4. Deposits | | |
| Cost opening balance | <u>22.274</u> | <u>22.274</u> |
| Cost end of period | <u>22.274</u> | <u>22.274</u> |
| | | |
| Carrying amount, end of period | <u>22.274</u> | <u>22.274</u> |

5. Contingencies

The Company has entered into contracts on operational leasing. The total leasing payment is 149 t.dkk in the remaining period.

The Company has entered into a lease obligation in connection with the rent. The company has three months notice, which corresponds to a liability of 24 t.dkk.