

# Klein House ApS

Kløverbladsgade 56  
2500 Valby

CVR no. 38 03 04 26

**Annual report for the period 1 July 2017 – 30 June 2018**

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

30 November 2018

Søren Rose Kjær  
chairman



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## Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Klein House ApS for the financial year 1 July 2017 – 30 June 2018.

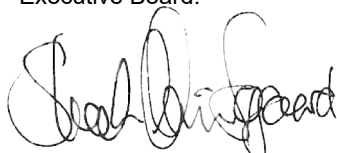
The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2018 and of the results of the Company's operations for the financial year 1 July 2017 – 30 June 2018.

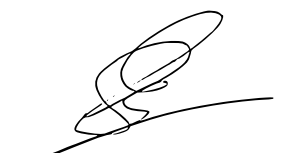
Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen 30 November 2018  
Executive Board:



Sheela Maini Søgaard  
Christiansen



Søren Rose Kjær



Bjarke Bundgaard Ingels

## Independent auditor's report

### To the shareholders of Klein House ApS

#### Opinion

We have audited the financial statements of Klein House ApS for the financial year 1 July 2017 – 30 June 2018 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 30 June 2018 and of the results of the Company's operations for the financial year 1 July 2017 – 30 June 2018 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 involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

## Independent auditor's report

- 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, 30 November 2018

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Henrik O. Larsen  
State Authorised  
Public Accountant  
mne15839

**Klein House ApS**  
Annual report 2017/18  
CVR no. 38 03 04 26

## Management's review

### Company details

Klein House ApS  
Kløverbladsgade 56  
2500 Valby

Telephone: +45 72 21 72 27  
Fax: +45 35 12 72 27

CVR no.: 38 03 04 26  
Established: 13 September 2016  
Financial year: 1 July – 30 June

### Executive Board

Sheela Maini Søgaard Christiansen  
Søren Rose Kjær  
Bjarke Bundgaard Ingels

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfaergevej 28  
DK-2100 Copenhagen

## **Management's review**

### **Operating review**

#### **Principal activities**

The Company's main purpose is to act as holding company, develop and own IP rights and associated business.

#### **Development in activities and financial position**

At 30 June 2018, the Company has lost more than half of its share capital. The owners, LIGHTBOX ApS and BIG Investments ApS, have in writing declared their intention to provide the Company with sufficient financial support to ensure that the company is able to meet its liabilities as they fall due for a period of no less than 12 months from the date of approval of the statutory financial statements for the year ended 30 June 2018, for which reason the financial statements for the year ended 30 June 2018 have been prepared on a going concern basis.

It is Management's opinion that the Company has sufficient financial resources to continue operations as a going concern.

Management expects that the owners have the ability to pay.

#### **Events after the balance sheet date**

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

## Financial statements 1 July – 30 June

### Income statement

DKK	Note	2017/18	2016/17
<b>Gross loss</b>		-43,903	-60,578
Staff costs		-364,967	-197,849
Depreciation		-5,626	0
<b>Operating loss</b>		-414,496	-258,427
Income from equity investments in group entities		-183,565	-682,862
Financial expenses		-65,022	0
<b>Loss before tax</b>		-663,083	-941,289
Tax on loss for the year		0	0
<b>Loss for the year</b>		-663,083	-941,289
<b>Proposed distribution of loss</b>			
Retained earnings		-663,083	-941,289



## Financial statements 1 July – 30 June

### Balance sheet

DKK	Note	<u>2017/18</u>	<u>2016/17</u>
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>			
Fixtures and fittings, tools and equipment		<u>11,253</u>	<u>16,879</u>
<b>Total fixed assets</b>		<u>11,253</u>	<u>16,879</u>
<b>Current assets</b>			
<b>Receivables</b>			
Receivables from group entities		276,027	251,120
Other receivables		<u>7,138</u>	<u>9,955</u>
		<u>283,165</u>	<u>261,075</u>
<b>Cash at bank and in hand</b>		<u>69,487</u>	<u>139,776</u>
<b>Total current assets</b>		<u>352,652</u>	<u>400,851</u>
<b>TOTAL ASSETS</b>		<u><u>363,905</u></u>	<u><u>417,730</u></u>

## Financial statements 1 July – 30 June

### Balance sheet

DKK	Note	<u>2017/18</u>	<u>2016/17</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		1,800,000	1,300,000
Retained earnings		<u>-1,604,372</u>	<u>-941,289</u>
<b>Total equity</b>		<u>195,628</u>	<u>358,711</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables to group entities		120,000	0
Other payables		<u>48,277</u>	<u>59,019</u>
		<u>168,277</u>	<u>59,019</u>
<b>Total liabilities</b>		<u>168,277</u>	<u>59,019</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>363,905</u></u>	<u><u>417,730</u></u>

## Financial statements 1 July – 30 June

### Statement of changes in equity

DKK	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 July 2017	1,300,000	-941,289	358,711
Cash capital increase	500,000	0	500,000
Transferred over the profit appropriation	<u>0</u>	<u>-663,083</u>	<u>-663,083</u>
<b>Contribution from group</b>	<u><u>1,800,000</u></u>	<u><u>-1,604,372</u></u>	<u><u>195,628</u></u>

## Financial statements 1 July – 30 June

### Notes

#### 1 Accounting policies

The annual report of Klein House ApS for 2017/18 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.

#### Consolidated financial statements

Pursuant to section 110 (1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

#### Material error

The Company has identified a material error in the following areas which affects previously presented annual reports:

Investments in subsidiaries were not correctly recognised in the financial statements for 2016/17. The error has been corrected in the comparative figures for 2016/17. The change does not have an effect on the loss for the year 2017/18. The losses from equity investments in group entities in previous years have been reduced by DKK 251 thousand and the balance sheet and equity from previous years have been increased by DKK 251 thousand.

#### Income statement

##### Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

##### Income/loss from equity investments in group entities

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Company's income statement after full elimination of intra-group gains/losses and amortisation of goodwill.

#### Balance sheet

##### Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they

## Financial statements 1 July – 30 June

### Notes

#### 1 Accounting policies (continued)

are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

#### Equity investments in group entities

Equity investments in group entities are measured at the proportionate share of the entities' net asset value calculated in accordance with the Group's accounting policies plus or minus unrealised intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Equity investments in group entities with negative net asset values are measured at DKK 0, and any receivables from these entities are written down by an amount equivalent to the negative net asset value. To the extent that the negative net asset value exceeds the receivable, the residual amount is recognised as provisions if the Parent Company has a legal or actual obligation to cover the negative balance of the subsidiary.

Net revaluation of equity investments in group entities is tied as a net revaluation reserve under equity according to the equity method to the extent that the carrying amount exceeds cost. Dividends from group entities expected to be adopted in the group entities prior to the approval of the Company's annual report are not tied up in the revaluation reserve.

#### 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.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

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.

## **Financial statements 1 July – 30 June**

### **Notes**

#### **1 Accounting policies (continued)**

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash deposits in the bank.

##### **Liabilities other than provisions**

Other liabilities are measured at net realisable value.

#### **2 Disclosure of material uncertainties regarding going concern**

At 30 June 2018, the Company has lost its share capital. The owners, LIGHTBOX ApS and BIG Investments ApS, have in writing declared their intention to provide the Company with sufficient financial support to ensure that the company is able to meet its liabilities as they fall due for a period of no less than 12 months from the date of approval of the statutory financial statements for the year ended 30 June 2018, for which reason the financial statements for the year ended 30 June 2018 have been prepared on a going concern basis.

It is Management's opinion that the Company has sufficient financial resources to continue operations as a going concern.

Management expects that the owners have the ability to pay.

## Financial statements 1 July – 30 June

### Notes

#### 3 Investments

	Equity investments in group entities
DKK	
Cost at 1 July 2017	933,982
Exchange adjustment	-62,915
Addition loan	<u>271,387</u>
Cost at 30 June 2018	<u>1,142,454</u>
Revaluations at 1 July 2017	-682,862
Loss for the year in Klein LLC	<u>-183,565</u>
Value adjustments at 30 June 2018	<u>-866,427</u>
<b>Carrying amount at 30 June 2018</b>	<b><u><u>276,027</u></u></b>

Name/legal form	Registered office	Voting rights and ownership interest	Equity	Profit/loss for the year
Subsidiaries:			DKK	DKK
Klein House LLC		100%	<u>-866,427</u>	<u>-183,565</u>
			<u>-866,427</u>	<u>-183,565</u>