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LACC Holding ApS

Vænget 7, 3050 Humlebæk

Company reg. no. 33 87 84 00

Annual report

2021

The annual report was submitted and approved by the general meeting on the 12 July 2022.

Lars Schmidt
Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Contents

Management's statement

Today, the Managing Director has approved the annual report of LACC Holding ApS for the financial year 2021.

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

I consider the chosen accounting policy to be appropriate, and in my opinion, 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.

At the general meeting held on 12 July 2022, a decision will be made not to have the financial statements audited as from 2022 onwards. The Managing Director consider the conditions for audit exemption to be met.

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

We recommend that the annual report be approved at the Annual General Meeting.

Humlebæk, 12 July 2022

Managing Director

Lars Schmidt

Independent auditor's report on extended review

To the Shareholder of LACC Holding ApS

Report on extended review of the Financial Statements

Opinion

We have performed an extended review of the financial statements of LACC Holding ApS for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position 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.

Basis for Opinion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 extended review of the Financial Statements

Our responsibility is to express a opinion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our opinion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our opinion.

Independent auditor's report on extended review

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

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 opinion thereon.

In connection with our extended review 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 extended review, 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 in the Management's Review.

Violation of the provisions of the Companies Act on lending to shareholders and violation of the provision of the tax legislation on withholding tax.

In violation of the Companies Act, § 210, 1, the company has granted a loan to the company shareholder. As a result of this the management may incur liability. The loan was a mistake from using a wrong credit card.

In connection with the payment, the company has not complied with the tax legislation, and the management may incur liability.

Copenhagen, 12 July 2022

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

Sebastian With Raunstrup
State Authorised Public Accountant
mne36191

Company information

The company	LACC Holding ApS Vænget 7 3050 Humlebæk	
	Company reg. no.	33 87 84 00
	Established:	24 August 2011
	Financial year:	1 January - 31 December
Managing Director	Lars Schmidt	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	
Subsidiary	Varsch ApS, Humlebæk	

Management´s review

The principal activities of the company

The principal activities are to operate investment business and hereby related businesses.

Development in activities and financial matters

The gross loss for the year totals DKK -53.179 against DKK -46.222 last year. Income from ordinary activities after tax totals DKK 2.147.971 against DKK 698.753 last year. Management considers the net profit for the year satisfactory.

Accounting policies

The annual report for LACC Holding ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Income statement

Gross loss

Gross loss comprises other operating income and external costs.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investment in associate

After full elimination of intercompany profit or loss less amortised of consolidated goodwill, the investment in the associate is recognised in the income statement as a proportional share of the associates' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Accounting policies

Statement of financial position

Intangible assets

Cryptocurrencies

Acquired intangible assets comprising cryptocurrencies are measured at cost less accumulated amortisations.

Since it is impossible to reliably estimate future impairment of cryptocurrencies and to determine a useful life, residual values are determined as equalling cost and no similarly acquired rights are therefore amortised.

Cryptocurrencies are written down for impairment to a lower recoverable amount. This means that if the price (fair value) drops to below cost, they must be written down for impairment to a lower value in the income statement.

If the price (fair value) subsequently rises, write down for impairment must be wholly or partly reversed in the income statement.

Gains of losses on sale of cryptocurrencies (the difference between selling price and carrying amount) is recognised in the income statement, normally under other operating income and other operating charges, respectively.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Accounting policies

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investment in associate are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Investments in associate

Investments in associate is recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the accounting policies of the owner compagny with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

To the extent the equity exceeds the cost, the net revaluation of investment in associate transferred to the reserve under equity for net revaluation according to the equity method. The reserve is adjusted by other equity movements in associate.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Accounting policies

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Other financial instruments and equity investments

Other unlisted financial instruments are measured at cost. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Financial instruments and equity investments

Financial instruments and equity investments recognised under current assets consist of listed shares and bonds which are measured at fair value on the reporting date. Unlisted equity investments are measured at cost. Writedown takes place to the recoverable amount if this value is lower than the carrying amount.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

As administration company, LACC Holding ApS is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Income tax receivable” or “Income tax payable”.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Accounting policies

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2021	2020
	Gross loss	**-53.179**	**-46.222**
	Depreciation, amortisation, and impairment	-9.333	-7.000
	Operating profit	**-62.512**	**-53.222**
	Income from equity investment in associate	0	-38.718
	Other financial income	2.936.545	1.149.904
	Impairment of financial assets	100.000	0
	Other financial costs	-233.060	-121.809
	Pre-tax net profit or loss	**2.740.973**	**936.155**
	Tax on net profit or loss for the year	-593.002	-237.402
	Net profit or loss for the year	**2.147.971**	**698.753**
	Proposed appropriation of net profit:		
	Dividend for the financial year	114.400	405.000
	Transferred to retained earnings	2.033.571	293.753
	Total allocations and transfers	**2.147.971**	**698.753**

Balance sheet at 31 December

All amounts in DKK.

Assets

Note		2021	2020
	Non-current assets		
	Cryptocurrencies	6.676.001	322.930
	Total intangible assets	6.676.001	322.930
	Other fixtures and fittings, tools and equipment	0	9.333
	Total property, plant, and equipment	0	9.333
	Investments in subsidiaries	40.000	0
	Other financial instruments and equity investments	2.607.315	2.384.504
	Total investments	2.647.315	2.384.504
	Total non-current assets	**9.323.316**	**2.716.767**
	Current assets		
	Receivables from subsidiaries	150.750	0
	Other receivables	0	165.385
2	Receivables from owners and management	12.925	0
	Total receivables	163.675	165.385
	Other financial instruments and equity investments	2.422.896	7.262.997
	Total investments	2.422.896	7.262.997
	Cash on hand and demand deposits	93.862	10.035
	Total current assets	**2.680.433**	**7.438.417**
	Total assets	**12.003.749**	**10.155.184**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2021	2020
	Equity		
	Contributed capital	80.000	80.000
	Retained earnings	11.100.534	9.066.963
	Proposed dividend for the financial year	114.400	405.000
	Total equity	**11.294.934**	**9.551.963**
	Liabilities other than provisions		
	Bank loans	78.744	323.393
	Trade payables	20.500	20.500
	Income tax payable	530.312	248.537
	Income tax payable to subsidiaries	50.248	0
	Other payables	29.011	10.791
	Total short term liabilities other than provisions	708.815	603.221
	Total liabilities other than provisions	**708.815**	**603.221**
	Total equity and liabilities	**12.003.749**	**10.155.184**
1	**Disclosures on fair value**		
3	**Contingencies**		

Notes

All amounts in DKK.

	2021	2020

1. Disclosures on fair value

	Listed shares	Other listed securities
Fair value at 31 December 2021	1.661.496	7.065.573
Change in fair value of the year recognised in the statement of financial activity	-139.213	2.813.795

2. Receivables from owners and management

Category	Interest rate	Amounts repaid during the financial year	Total receivables at 31 December 2021
Board of directors	10,05	0	12.925

3. Contingencies

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The liability relating to obligations in connection with withholding tax on dividends, interest, and royalties represents an estimated maximum of DKK 0.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

Lars Schmidt
Direktør og dirigent
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