



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 919 422 335  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: KINLY HOLDING AS  
Forretningsadresse: Kanalsletta 3  
4033 STAVANGER

### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

### Konsern

Mørselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler  
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: -

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Roger Johnsen Weibell  
Dato for fastsettelse av årsregnskapet: 14.03.2022

### Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 13.02.2024



### Resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Other expenses	1	359 974	431 249
<b>Sum kostnader</b>		<b>359 974</b>	<b>431 249</b>
<b>Driftsresultat</b>		<b>-359 974</b>	<b>-431 249</b>
<b>Finansinntekter og finanskostnader</b>			
Income from subsidiaries	5		
Income from other group companies	5	9 379 652	80 000 000
Annen renteinntekt		285 123	3 735
Other financial income	2	11 039 056	124 501
<b>Sum finansinntekter</b>		<b>20 703 831</b>	<b>80 128 236</b>
Annen rentekostnad		18 940 926	12 732 835
Other financial expenses	2	1 402 931	3 356 814
<b>Sum finanskostnader</b>		<b>20 343 857</b>	<b>16 089 649</b>
<b>Netto finans</b>		<b>359 975</b>	<b>64 038 587</b>
<b>Ordinært resultat før skattekostnad</b>		<b>0</b>	<b>63 607 338</b>
Income tax expense	3		
<b>Ordinært resultat etter skattekostnad</b>		<b>0</b>	<b>63 607 338</b>
<b>Årsresultat</b>		<b>0</b>	<b>63 607 338</b>
<b>Årsresultat etter minoritetsinteresser</b>			<b>63 607 338</b>
<b>Totalresultat</b>			<b>63 607 338</b>
<b>Overføringer og disponeringer</b>			
Ordinært utbytte			44 948 783
Other equity			18 658 555
<b>Sum overføringer og disponeringer</b>	4		<b>63 607 338</b>



## Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	3		
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	5	195 142 381	186 299 989
Investering i annet foretak i samme konsern	5		
<b>Sum finansielle anleggsmidler</b>		<b>195 142 381</b>	<b>186 299 989</b>
<b>Sum anleggsmidler</b>		<b>195 142 381</b>	<b>186 299 989</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Other short-term receivables	6	16 972 382	36 994 463
<b>Sum fordringer</b>		<b>16 972 382</b>	<b>36 994 463</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	7	64 362 964	31 067 354
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>64 362 964</b>	<b>31 067 354</b>
<b>Sum omløpsmidler</b>		<b>81 335 346</b>	<b>68 061 817</b>
<b>SUM EIENDELER</b>		<b>276 477 727</b>	<b>254 361 806</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	4	990 000	990 000
Overkurs	4	8 515 750	8 515 750
<b>Sum innskutt egenkapital</b>		<b>9 505 750</b>	<b>9 505 750</b>



### Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Opptjent egenkapital</b>			
Udekket tap	4	-12 671 505	-12 671 505
<b>Sum opptjent egenkapital</b>		<b>12 671 505</b>	<b>12 671 505</b>
<b>Sum egenkapital</b>		<b>22 177 255</b>	<b>22 177 255</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	3		
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	8		
Other non-current liabilities	6, 8	210 528 829	232 102 920
<b>Sum annen langsiktig gjeld</b>		<b>210 528 829</b>	<b>232 102 920</b>
<b>Sum langsiktig gjeld</b>		<b>210 528 829</b>	<b>232 102 920</b>
<b>Kortsiktig gjeld</b>			
Tax payable	3		
Kortsiktig konserngjeld	6	43 771 642	
Other current liabilities	6		81 631
<b>Sum kortsiktig gjeld</b>		<b>43 771 642</b>	<b>81 631</b>
<b>Sum gjeld</b>		<b>254 300 471</b>	<b>232 184 551</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>276 477 727</b>	<b>254 361 806</b>



**mazars**

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www.mazars.no

Til generalforsamlingen i  
Kinly Holding AS

## Uavhengig revisors beretning

### Konklusjon

Vi har revidert Kinly Holding AS sitt årsregnskap som viser et resultat på kr 0. Årsregnskapet består av balanse per 31. desember 2021, resultatregnskap og kontantstrømpoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

### Etter vår mening

- oppfyller årsregnskapet gjeldende lovkrav, og
- gir årsregnskapet et rettviseende bilde av selskapets finansielle stilling per 31. desember 2021 og av dets resultat og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

### Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under Revisors oppgaver og plikter ved revisjonen av årsregnskapet. Vi er uavhengige av selskapet slik det kreves i lov, forskrift og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av the International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

### Øvrig informasjon

Styret og daglig leder (ledelsen) er ansvarlig for informasjonen i årsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker ikke informasjonen i årsberetningen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese årsberetningen. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom årsberetningen og årsregnskapet og den kunnskap vi har opparbeidet oss under revisjonen av årsregnskapet, eller hvorvidt informasjon i årsberetningen ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom årsberetningen fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

Vår uttalelse om årsberetningen gjelder tilsvarende for redegjørelser om samfunnsansvar.

Mazars AS  
Org. no. 979 605 994



## mazars

### Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

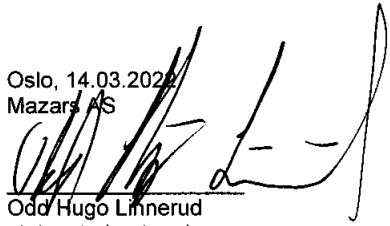
Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avvirket.

### Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til:  
<https://revisorforeningen.no/revisjonsberetninger>

Oslo, 14.03.2022  
Mazars AS



Odd Hugo Linnerud  
statsautorisert revisor



**Annual Report 2021**  
**Kinly Holding AS (VCV Nordics AS)**

Revenue statement  
Balance sheet  
Cash flows  
Notes to the Accounts



Org.no.: 919 422 335



### REVENUE STATEMENT

#### KINLY HOLDING AS

	NOTE	2021	2020
<b>REVENUE STATEMENT</b>			
<b>OPERATING INCOME AND OPERATING EXPENSES</b>			
Other expenses	1	359 974	431 249
<b>Total expenses</b>		<b>359 974</b>	<b>431 249</b>
<b>Operating profit</b>		<b>-359 974</b>	<b>-431 249</b>
<b>FINANCIAL INCOME AND EXPENSES</b>			
Income from other group companies	5	9 379 652	80 000 000
Other interest income		285 123	3 735
Other financial income	2	11 039 056	124 501
Other interest expenses		18 940 926	12 732 835
Other financial expenses	2	1 402 931	3 356 814
<b>Net financial items</b>		<b>359 975</b>	<b>64 038 587</b>
Net profit before tax		0	63 607 338
Income tax expense	3	0	0
<b>Net profit after tax</b>		<b>0</b>	<b>63 607 338</b>
<b>Net profit or loss</b>		<b>0</b>	<b>63 607 338</b>
<b>ATTRIBUTABLE TO</b>			
Additional dividend		0	44 948 783
Other equity		0	18 658 555
<b>Total</b>	4	<b>0</b>	<b>63 607 338</b>



## BALANCE SHEET

### KINLY HOLDING AS

	Note	2021	2020
<b>ASSETS</b>			
<b>NON-CURRENT FINANCIAL ASSETS</b>			
Investments in subsidiaries	5	195 142 381	186 299 989
<b>Total non-current financial assets</b>		<b>195 142 381</b>	<b>186 299 989</b>
<b>Total non-current assets</b>		<b>195 142 381</b>	<b>186 299 989</b>
<b>CURRENT ASSETS</b>			
<b>DEBTORS</b>			
Other short-term receivables	6	16 972 382	36 994 463
<b>Total receivables</b>		<b>16 972 382</b>	<b>36 994 463</b>
Cash and cash equivalents	7	64 362 964	31 067 354
<b>Total current assets</b>		<b>81 335 346</b>	<b>68 061 817</b>
<b>Total assets</b>		<b>276 477 727</b>	<b>254 361 806</b>



## BALANCE SHEET

### KINLY HOLDING AS

	Note	2021	2020
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>PAID-IN CAPITAL</b>			
Share capital	4	990 000	990 000
Share premium reserve	4	8 515 750	8 515 750
<b>Total paid-up equity</b>		<b>9 505 750</b>	<b>9 505 750</b>
<b>RETAINED EARNINGS</b>			
Other equity	4	12 671 505	12 671 505
<b>Total retained earnings</b>		<b>12 671 505</b>	<b>12 671 505</b>
<b>Total equity</b>		<b>22 177 255</b>	<b>22 177 255</b>
<b>LIABILITIES</b>			
<b>OTHER NON-CURRENT LIABILITIES</b>			
Other non-current liabilities	6, 8	210 528 829	232 102 920
<b>Total non-current liabilities</b>		<b>210 528 829</b>	<b>232 102 920</b>
<b>CURRENT LIABILITIES</b>			
Liabilities to group companies	6	43 771 642	0
Other current liabilities	6	0	81 631
<b>Total current liabilities</b>		<b>43 771 642</b>	<b>81 631</b>
<b>Total liabilities</b>		<b>254 300 471</b>	<b>232 184 551</b>
<b>Total equity and liabilities</b>		<b>276 477 727</b>	<b>254 361 806</b>

Sandnes, 14.03.2022

*Thomas Michael Martin*

Thomas Michael Martin  
chairman of the board

*Roger Weibell*

Roger Johnsen Weibell  
member of the board

*Onno Krap*

Onno Krap  
member of the board



### INDIRECT CASH FLOW

#### KINLY HOLDING AS (VCV NORDICS AS)

	2021	2020
<strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong>		
Profit/loss before tax	0	63 607 338
Recognised Group contribution received	0	-52 000 000
Change in other accrual items	34 311 696	-34 497 541
<strong>Net cash flows from operating activities</strong>	<strong>34 311 696</strong>	<strong>-22 890 203</strong>
<strong>CASH FLOWS FROM INVESTMENT ACTIVITIES</strong>		
Payments to buy shares and participations in other companies	0	681 824
Postings regarding merger agreement with Viju AS	-4 157 608	0
<strong>Net cash flows from investment activities</strong>	<strong>4 157 608</strong>	<strong>-681 824</strong>
<strong>CASH FLOWS FROM FINANCING ACTIVITIES</strong>		
Proceeds from the issuance of new long-term liabilities	0	136 063 890
Payment of interest	10 794 044	8 759 527
Proceeds from equity	0	44 948 783
Repayments of equity	0	135 353 750
Payment of dividend	0	44 948 783
Proceeds from Group contributions	7 022 081	52 000 000
<strong>Net cash flows from financing activities</strong>	<strong>-3 771 963</strong>	<strong>43 950 613</strong>
Net change in cash and cash equivalents	34 697 341	20 378 586
Cash and cash equivalents at the start of the period	31 067 354	876 627
<strong>Cash and cash equivalents at the end of the period</strong>	<strong>65 764 695</strong>	<strong>21 255 213</strong>



Kinly Holding AS (VCV Nordics AS)

919 422 335

## Notes to the annual accounts

### Accounting principles

The annual accounts have been prepared in conformity with the provisions of the Accounting Act and good accounting practice.

The annual accounts consist of the profit and loss account, balance sheet, cash flow statement and notes and are presented in accordance with the Companies Act, the Accounting Act and generally accepted accounting principles in Norway 31.12.2021.

### CONSOLIDATION

Consolidated accounts for Kinly Holding AS are not made because the ultimate parent company of Kinly Holding AS, Kinly Holding B.V. publishes consolidated accounts for the Kinly Group. The consolidated accounts can be obtained from Kinly Holding B.V.'s premises in Amsterdam, or by contacting the administration.

### USE OF ESTIMATES

In the preparation of the annual accounts estimates and assumptions have been made that have affected the profit and loss account and the valuation of assets and liabilities, and uncertain assets and liabilities on the balance sheet date in accordance with generally accepted accounting practice. Areas which to a large extent contain such subjective evaluations, a high degree of complexity, or areas where the assumptions and estimates are material for the annual accounts, are described in the notes.

### FOREIGN CURRENCY

Foreign currency transactions are translated at the exchange rate on the date of the transaction. Monetary foreign currency items are translated to NOK at the exchange rate on the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated to NOK using the exchange rate on the transaction date. Non-monetary items that are measured at fair value in a foreign currency are translated to NOK using the exchange rate on the measurement date. Exchange rate fluctuations are posted to the profit and loss account as they arise under other financial items.

### REVENUES

Income from the sale of goods is recognised on the date of delivery. Services are posted as income as they are delivered. Income from the sale of services and long-term manufacturing projects (construction contracts) are posted to the profit and loss account in line with the project's degree of completion, when the outcome of the transaction can be estimated in a reliable manner. When the transaction's outcome cannot be estimated reliably, only income corresponding to a projects' incurred costs can be posted as revenue. At the time when it is identified that the project will give a negative result, the estimated loss on the contract is posted in full to the profit and loss account.

### TAX

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net. The net deferred tax receivable is entered on the balance sheet to the extent that it is likely that it can be utilised.

### CLASSIFICATION AND VALUATION OF CURRENT ASSETS

Current assets and short-term liabilities consist normally of items that fall due for payment within one year of the balance sheet date, as well as items related to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value. Short-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction.



Kinly Holding AS (VCV Nordics AS)

919 422 335

## Notes to the annual accounts

### **SUBSIDIARIES AND ASSOCIATED COMPANIES**

Subsidiaries and associated companies are valued using the cost method in the company accounts. The investment is valued at acquisition cost for the shares unless a write-down has been necessary. A write-down to fair value is made when a fall in value is due to reasons that cannot be expected to be temporary and such write-down must be considered as necessary in accordance with good accounting practice. Write-downs are reversed when the basis for the write-down is no longer present.

Dividends, group contributions and other distributions from subsidiaries are posted to income in the same year as provided for in the distributor's accounts. To the extent that dividends/ group contributions exceed the share of profits earned after the date of acquisition, the excess amounts represents a repayment of invested capital, and distributions are deducted from the investment's value in the balance sheet of the parent company.

### **RECEIVABLES**

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables. In addition an unspecified provision is made to cover expected losses on claims in respect of customer receivables.

### **SHORT-TERM INVESTMENTS**

Short-term investments (shares and interests valued as current assets) are valued at the lower of acquisition cost and fair value on the balance sheet date. Dividends and other distributions received from the companies are posted to income under other financial income.

### **CONDITIONAL OUTCOMES**

Costs related to conditional outcomes are posted to the accounts when the outcome can be estimated and the cost is regarded as likely.

### **CASH FLOW STATEMENT**

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist of cash, bank deposits and other short-term, liquid investments.



Kinly Holding AS (VCV Nordics AS)

919 422 335

## Notes to the annual accounts

### Note 1 - Employee benefits, number of employees, audit remuneration

The company does not have any employees.  
The Board has not received any remuneration in the year.

#### *Pension*

Kinly Holding AS (VCV Nordics AS) is not required to have an occupational pension scheme in accordance with the Norwegian Law on required occupational pension (*Lov om obligatorisk tjenstepensjon*) as there are no employees.

#### *Loans and guarantees to Management, members of the Board*

No loans or guarantees have been given to the Chief Executive Officer, members of the Board or other related parties.

#### *AUDITOR FEES*

Remuneration to the auditor (excluding VAT);

	<b>2021</b>	<b>2020</b>
Statutory audit fee	72 300	72 000
Audit related services	19 200	10 000
<b>Total</b>	<b>91 500</b>	<b>82 000</b>

### Note 2 - Items that are presented together in the income statement

#### *Other financial income*

	<b>2021</b>	<b>2020</b>
Currency gain	11 039 056	124 501
<b>Total</b>	<b>11 039 056</b>	<b>124 501</b>

#### *Other financial expenses*

	<b>2021</b>	<b>2020</b>
Currency loss	0	2 539 136
Other financial expenses	1 402 931	817 678
<b>Total</b>	<b>1 402 931</b>	<b>3 356 814</b>



Kinly Holding AS (VCV Nordics AS) 919 422 335

### Notes to the annual accounts

#### Note 3 Tax

<b>This year's tax expense</b>	<b>2021</b>	<b>2020</b>
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	0	0
<b>Tax expense on ordinary profit/loss</b>	<b>0</b>	<b>0</b>
Taxable income:		
Ordinary result before tax	0	63 607 338
Permanent differences	-9 379 652	-80 000 000
Received intra-group contribution	9 379 652	16 392 662
<b>Taxable income</b>	<b>0</b>	<b>0</b>
Payable tax in the balance:		
Payable tax on this year's result	-2 063 523	-3 606 386
Payable tax on received Group contribution	2 063 523	3 606 386
<b>Total payable tax in the balance</b>	<b>0</b>	<b>0</b>
Calculation of effective tax rate		
Profit before tax	0	63 607 338
Calculated tax on profit before tax	0	13 993 614
<b>Total</b>	<b>0</b>	<b>13 993 614</b>
Effective tax rate	22,0 %	22,0 %

#### Note 4 - Equity and shareholder information

	<b>Issued capital</b>	<b>Share premium fund</b>	<b>Other equity</b>	<b>Total</b>
<b>Equity 01.01.2021</b>	990 000	8 515 750	12 671 505	22 177 255
This years change in equity:				
Result for the year			0	0
<b>Equity 31.12.2021</b>	<b>990 000</b>	<b>8 515 750</b>	<b>12 671 505</b>	<b>22 177 255</b>

The share capital consists of 990 000 NOK, made up of 30 000 shares with a carrying value of 33 NOK. All shares give the same voting rights. All shares are owned by Kinly Holding B.V as of 31.12.2021.



**Kinly Holding AS (VCV Nordics AS) 919 422 335**

## Notes to the annual accounts

### Note 5 - Subsidiaries

<b>Company</b>	<b>Kinly AS</b>
Date of acquisition	1998
Business residence	Sandnes
Ownership	100 %
Voting rights	100 %
Number of shares owned	350 000
Share capital	857 500
Profit after tax 2021	12 355 013
Equity per 31.12.2021	25 267 398
<b>Book value of investment</b>	<b>195 142 381</b>

Share in Kinly AS was previous owned by Viju AS. Due to the merge between Viju AS and Kinly Holding AS ( former VCV Nordics AS) in 2021, shares in Kinly AS are now owned directly by Kinly Holding AS.

### Note 6 - Intercompany balances

#### Current assets

	<b>31.12.2021</b>	<b>31.12.2020</b>
<i>Other short-term receivables</i>		
Group contribution due	9 379 652	28 000 000
<b>Total</b>	<b>9 379 652</b>	<b>28 000 000</b>

#### Non-current liabilities

	<b>31.12.2021</b>	<b>31.12.2020</b>
<i>Other long term liabilities</i>		
Intercompany loan from Kinly Holding B.V	210 528 829	222 290 779
<b>Total</b>	<b>210 528 829</b>	<b>222 290 779</b>

#### Current liabilities

	<b>31.12.2021</b>	<b>31.12.2020</b>
<i>Other current debt</i>		
Intercompany balance with Viju AS	0	81 631
Intercompany loan from Kinly AS	967 906	
Intercompany Kinly AS- Cashpool	29 803 736	0
Intercompany Kinly AS- Group contribution	13 000 000	0
Restructuring arrangement costs on loan from Kinly Holding B.V	0	9 812 141
<b>Total</b>	<b>43 771 642</b>	<b>9 893 772</b>



**Kinly Holding AS (VCV Nordics AS)**

**919 422 335**

## Notes to the annual accounts

The loan from Kinly Holding B.V is made up of two tranches, one of 8,6 million EUR and one of 12,5 million EUR, both falling due June 28th 2027.

The loan from Kinly Holding B.V is made up as follows:

	<b>31.12.2021</b>	<b>31.12.2020</b>
Falling due in less than 1 year	0	13 967 141
Falling due between 2-5 years	0	72 259 748
Falling due after 5 years	210 528 829	0
<b>Total</b>	<b>210 528 829</b>	<b>86 226 889</b>

## Note 7 - Bank deposits

The company has no cash that is restricted as per 31.12.2021.

## Note 8 - Liabilities to financial institutions, pledge and guarantees

Kinly Holding AS is part of a group overdraft facility with its subsidiary Kinly AS. Kinly Holding AS is the company with the formal ownership of the overdraft facility, while Kinly AS and Kinly Holding AS are jointly responsible for the credit facility and cash balance towards the bank.

The total overdraft facility for the Group is NOK 25 000 000. At the year end, the overdraft was not used, and the Kinly Holding AS as Group is in a net cash position with the bank. The company has no restricted cash in bank.

Fixed assets, inventory and accounts receivable in Kinly AS are pledged to the bank. There are no restrictions on the use of these funds.



## Annual Report for Kinly Holding AS 2021

### Operations and locations

Kinly Holding AS is part of the Kinly Group and operates within sales, consultancy, installation, service and facilitating of collaboration technologies, in particular video conference and audio-visual solutions. Our goal is to contribute to new and more profitable ways of working. Together with our customers, we find the most effective communication and visualization solutions, from an end-user workflow, technical, and financial perspective.

The company was established as the owner of the Viju Group which was purchased in 2017, and joined forces with Visions Connected, and was named VCV Holding AS.

The new Group changed its name to Kinly early 2018, and the operational subsidiaries in the group also changed its name from Viju to Kinly and VCV Nordics AS changed its name to Kinly Holding AS in 2021.

Our ambition is to set the standard for collaboration and visualization solutions and services on a global basis. Our promise to our customers is to help them "Working Together Everywhere". The Group conducts a high level of its activities in the finance & legal, public sector & health care and oil & energy industries, though we also supply user-friendly and modern solutions and services to several other industries.

The head office of Kinly is located in Amsterdam, Netherlands and has several branches and offices including Oslo, Brussel, Bergen, Trondheim, Edinburgh, London, Amsterdam, Singapore, Hong Kong, New York and Stavanger.

### Comments related to the financial statements

Kinly Holding AS had no revenues in the period, an operating loss of NOK 359.974, a profit before tax of NOK 0 and a net profit for the period of NOK 0.

The result for the year therefore kept the company's total equity unchanged from 2020 at NOK 22.177.255 as of 31.12.21.

The net cash flow from operating activities was NOK 34.311.696 in 2021, compared with a negative operating cash flow of NOK 22.89.203 in 2020.

### Outlook and Financial risk

There are no employees in the company at year-end.

The company does not pollute the external environment more than is normal for this type of business activity. Kinly Holding AS is exposed to credit risk, liquidity risk, interest rate risk and foreign exchange risk in its normal business activities, and strives to achieve acceptable risk levels in these areas. All customers who are granted credit undergo credit evaluation, and the company's strategy is to have good liquidity to fulfil its financial obligations. The company has deposits and long-term loans with floating interest rates and is thereby affected by fluctuations in interest rates. Fluctuations in exchange rates represent both direct and indirect financial risk for the company and the long-term loan from Kinly Holding BV is in Euro's and as a result is a significant source of foreign exchange risk (which is however off set in Kinly Holding BV for the Kinly Group).

The Company's Norwegian operation conduct a small number of transactions in foreign currencies other than the long-term loan.



The company merged with its wholly owned subsidiary, Viju AS, in 2021 in order to simplify the legal structure.

It is the opinion of the Board, the financial statements represent a true and fair view of the business operation and an accurate view of the company's development and financial position and of its financial performance in 2021.

The coronavirus pandemic (COVID-19) continues to spread in many countries at the time Kinly Holding's 2021 financial statements are issued. However, it seems like the worst effect of the pandemic is behind us and the outlook remains positive.

This pandemic situation represents a challenge to the global economy with no historic precedent and has thus created a significant uncertainty on future economic outlook globally, with scenarios ranging from rapid recovery to a prolonged economic downturn.

Kinly Holding has taken measures to protect employees in our subsidiaries and support the ongoing efforts to contain the Covid-19 pandemic in line with local and global health authorities, and the transition to remote work has so far been seamless for our employees, customers and business partners.

In terms of business impact, Kinly AS was impacted by reduced profitability during 2021 due to national lockdowns and component shortages giving long lead times on certain important equipment. Kinly AS still finished the year with a positive profit before tax and we remain positive on the outlook on the business.

However, the long-term impact will depend on the overall development of the pandemic itself and the public measures taken to contain the spread of the virus, which in some scenarios could impact the Kinly Group through lower growth rates, increasing credit risk and challenges in recruiting and onboarding new staff. The board continues to monitor the situation carefully in order to ensure appropriate actions are taken as the situation continues to unfold during 2022.

There are no other events of material significance to the financial position of the company that have occurred since the end of the reporting period.

The levels of financial and exchange rate exposure is considered to be acceptable. The equity and liquidity situation for the company is satisfactory. In compliance with the requirements laid down in the Accounting Act, the Board confirms that the going-concern assumption is appropriate and that the financial statements have been reported due to this assumption.

Order backlog and sales pipeline is significant, several new proprietary cloud and managed services offerings are in customer pilots.

Based on the above and as the company's prime activity lies in products and solutions that offer customers the possibility to make changes that can immediately improve the profitability and the way organizations work, the Board expects good growth in 2022.

Growth outlook coincides with the opinions from leading market research companies and technology manufacturers and there is an increasing demand for providing solutions that integrate different collaboration technologies.



Sandnes, 14 March 2022

*Thomas Michael Martin*

.....  
Thomas Michael Martin  
Chairman

*Roger Weibell*

.....  
Roger Weibell  
Board Member

*Onno Krap*

.....  
Onno Krap  
Board Member



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*Financial report for the year 2021*

Kinly Top Holding B.V.  
Amsterdam



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## *Directors' report*

The directors' report is available at the Company's registered office at no cost.



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*Financial statements*



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*Consolidated financial statements*



## Consolidated balance sheet as at 31 December 2021

(Before appropriation of result)

Assets	Note	31 December 2021		31 December 2020	
		€'000	€'000	€'000	€'000
<b>Fixed assets</b>					
Intangible fixed assets	7.	73,296		84,503	
Tangible fixed assets	8.	3,609		3,723	
Financial fixed assets	9.	<u>2,199</u>		<u>1,244</u>	
			79,104		89,470
<b>Current assets</b>					
Inventories	10.	12,110		7,270	
Receivables	11.	80,300		68,849	
Cash at banks and in hand	12.	<u>18,320</u>		<u>23,876</u>	
			110,730		99,995
			<u>189,834</u>		<u>189,465</u>
<b>Group equity</b>					
	13.		204		21,742
<b>Provisions</b>					
	14.		2,181		2,973
<b>Non-current liabilities</b>					
Debts to lending institutions	15.	68,378		53,023	
Debts to equity holders		-		2,939	
Financial lease obligations		<u>10</u>		<u>55</u>	
			68,388		56,017
<b>Current liabilities</b>					
Current borrowings	16.	9,703		11,093	
Other current liabilities	17.	<u>109,358</u>		<u>97,640</u>	
			119,061		108,733
			<u>189,834</u>		<u>189,465</u>



**Consolidated income statement for the period ending  
31 December 2021**

		2021		2020	
	Note	€'000	€'000	€'000	€'000
<b>Net turnover</b>	19.		<b>243,947</b>		<b>211,075</b>
Cost of subcontracted work and other external charges	20.	(135,183)		(123,040)	
Wages and salaries	.	(72,576)		(52,445)	
Social security charges	.	(4,105)		(6,099)	
Pension contributions	21.	(1,843)		(553)	
Amortization of intangible fixed assets	25.	(16,150)		(12,982)	
Depreciation of tangible fixed assets	26.	(1,793)		(1,710)	
Other operating expenses	27.	(21,538)		(23,162)	
			<b>(253,188)</b>		<b>(219,991)</b>
<b>Operating profit/(loss)</b>			<b>(9,241)</b>		<b>(8,916)</b>
Financial income / (expense)	28.		(4,857)		(4,589)
<b>Result before tax</b>			<b>(14,098)</b>		<b>(13,505)</b>
Tax on result – benefit / (charge)	29.		1,566		108
<b>Result after tax</b>			<b>(12,532)</b>		<b>(13,397)</b>



**Consolidated cash flow statement for the period ending  
31 December 2021**

	Note	2021		2020	
		€'000	€'000	€'000	€'000
<b>Cash flow from operating activities</b>					
Operating loss			(9,241)		(8,916)
<b>Adjustments for:</b>					
Depreciation and amortisation	25.-26.	17,943		14,692	
Movement in provisions		-		449	
			17,943		15,141
<b>Movements in working capital:</b>					
Inventories		(5,016)		1,132	
Receivables		(11,329)		(11,236)	
Other current liabilities		9,993		9,295	
			(6,352)		(809)
Cash generated from operations			2,350		5,416
Corporate income tax paid		(878)		(1,008)	
Interest and other financial costs paid, net		(5,032)		(6,395)	
			(5,910)		(7,403)
Net cash generated from operating activities			(3,560)		(1,987)
<b>Cash flow from investment activities</b>					
Acquisition of group companies, net of cash acquired	5.	-		(55,513)	
Investments in intangible fixed assets	7.	(430)		(1,068)	
Investments in tangible fixed assets	8.	(2,148)		(863)	
Net cash generated from investment activities			(2,578)		(57,444)
<b>Cashflow from financing activities</b>					
Equity contribution, net from dividends paid	36.	-		24,832	
Dividend paid*	36.	(10,039)		-	
Proceeds from borrowings	15.	12,800		55,300	
Repayments from borrowings	15.	(3,058)		(19,196)	
US government loan	16.	-		1,300	
Change in ancillary facility	16.	(90)		4,080	
Net cash generated from financing activities			(387)		66,316
<b>Net cashflow</b>			<b>(6,525)</b>		<b>6,885</b>
Cash at the beginning of the year			23,876		17,569
Net cashflows			(6,525)		6,885
Exchange gains/(losses) on cash at banks			969		(578)
<b>Cash at the end of the year</b>			<b>18,320</b>		<b>23,876</b>



**Statement of total result of the Group for the period ended  
31 December 2021**

	<b>2021</b>		<b>2020</b>	
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Consolidated net result after taxation		(12,533)		(13,397)
Currency translation differences in foreign subsidiaries	<u>1,049</u>		<u>1,661</u>	
Total of direct movements in Group equity		<u>1,049</u>		<u>1,661</u>
Total result of the Group		<u>(11,484)</u>		<u>(11,736)</u>



## **Notes to the consolidated balance sheet and income statement**

### **1. General notes**

#### **1.1. Activities**

The activities of Kinly Top Holding B.V. and its group companies (jointly referred to as 'the Group' and separately referred to as 'the Company') comprise mainly the sale, service and organization of audio, visual and IT based solutions.

Sales take place both domestically and internationally, whereby The Netherlands, United Kingdom, Norway and the United States of America markets are the most important markets.

#### **1.2. Registered office, legal form and registration number at the chamber of commerce**

The registered and actual address of the Company is Radarweg 29, 1043 NX in Amsterdam and is registered at the chamber of commerce under number 69504709.

#### **1.3. Group structure**

The Company is the head of the Kinly group of companies. The financial statements of the Company are an integral part of the consolidated financial statements of the Group. The Company was established on 31 August 2017.

During 2021, the indirectly wholly owned subsidiaries of the Company, Kinly Netherlands B.V., MK2 Groep B.V., MK2 Audiovisueel B.V., MK2 Audiovisueel Verhuur B.V., entered into a merger agreement, whereby the surviving entity was renamed Kinly Benelux B.V. Also, Viju AS and VCV Holding AS entered into a merger agreement with VCV Holding AS, renamed to Kinly Holding AS, as the surviving entity.

Viju Nederland B.V. was liquidated in 2021.

On 7 May 2020, Tree Holding B.V. was established, a 100% subsidiary of the Company. On 11 May 2020 Kinly Bidco Ltd was acquired by Kinly Holding a direct subsidiary of the Company at that time. Subsequently, Kinly Holding B.V. was contributed to Kinly Tree Holding as share premium.

On 28 May 2020, Kinly Bidco Ltd. acquired all shares in AVMI Group Limited ("AVMI") via a debt-equity transaction for a total consideration of €55,513 including related transaction costs. In its last full financial year ending 30 June 2019, AVMI reported revenues of £81,200 (€92,121), an operating profit of £2,900 (€3,290) and a net profit of £3,800 (€4,311).

#### **1.4. Accounting period**

The accounting period in the financial report equals the calendar year.

#### **1.5. Estimates**

In applying the principles and policies for drawing up the financial statements, the directors of the Company make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the true and fair view required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.



## 1.6. *Going concern*

The COVID-19 pandemic has continued and has had impact on the 2021 results. The resulting impact of the pandemic on the operations and measures taken by various governments to contain the virus have negatively affected the Group's results in the reporting period. The currently known main impacts of COVID-19 on the Group are:

- Only a limited growth 2021 compared to 2020
- Customer driven delay in start of new projects
- Increase of inventories and lead-time of projects
- Increased uncertainty in timing and/or availability of project critical components

These developments negatively impact turnover growth and operating margins. There has also been an increase of inventory and an overall increase of working capital, driving a negative operational cashflow.

The bank covenants require a quarterly leverage ratio defined by net debt over last twelve months adjusted ebitda (adjusted result before tax, net financial result and amortization and depreciation). In line with the loan terms the relevant ratio will become more strict over time, reflecting an expected improvement of results.

The first measurement date was 31 December 2021, which was met. Also, the 31 March 2022 leverage covenant was met. Based on the situation as per 30 June 2022, the Group has assessed the future covenants for the coming 12 months and concluded that these are expected to be met.

Regardless, in response to the aforementioned COVID impacts on the results, the Group has initiated the following main actions:

- Initiated operational excellence program
- Limit discretionary opex and capex spending
- Restrict expansion of workforce
- Close working capital management to expedite cash-conversion

Given the current turbulent political and economic circumstances, the outcome of future results of the Group is uncertain. However, based on the assessment made, the Group's assumption to continue as a going concern is considered appropriate and therefore the Group has recorded its assets on a going concern basis in the financial statements and expects to settle its liabilities in the ordinary course of business at the amounts recorded in the financial statements.

## 1.7. *Consolidation*

The consolidation includes the financial information of the Company, its group companies and other entities in which it exercises control or whose central management it conducts. Group companies are entities in which The Company exercises direct or indirect control based on a shareholding of more than one half of the voting rights, or of which it has the authority to govern otherwise their financial and operating policies. Potential voting rights that can be exercised directly from the balance sheet date are also considered.

Group companies and other entities in which the Company exercises control or whose central management it conducts are consolidated in full. Participating interests in group equity and group result are disclosed separately. Participating interests over which no control can be exercised (associates) are not included in the consolidation.

Intercompany transactions, profits and balances among group companies and other consolidated entities are eliminated, unless these results are realised through transactions with third parties. Unrealised losses on intercompany transactions are also eliminated, unless such a loss qualifies as an impairment. The accounting policies of group companies and other consolidated entities have been changed where necessary, in order to align them to the prevailing group accounting policies.



The consolidated companies are listed below:

- Kinly Tree Holding B.V., Amsterdam, the Netherlands (100%)
- Kinly Holding B.V., Amsterdam, the Netherlands (100%)
- **Kinly Holding B.V.**
  - Viju Sdn Bhd, Kuala Lumpur, Malaysia (100%)
  - Kinly Inc., New Jersey, United States of America (100%)
  - Kinly Pte Ltd., Singapore, Singapore (100%)
  - Kinly Holding AS (fka VCV Nordics AS), Sandness, Norway (100%)
  - Kinly Benelux B.V., Breda, the Netherlands (100%)
  - Kinly Bidco Ltd., Sunbury-On-Thames, United Kingdom (100%)
- **Kinly Benelux B.V.**
  - Visions Connected United Kingdom Ltd., United Kingdom (100%), in liquidation
  - The Video Conference Bureau Ltd., United Kingdom (100%), in liquidation
  - Our Connecting Visions BVBA, Sint-Martens-Latem, Belgium (100%)
  - Kinly Belux BVBA, Sint-Martens-Latem, Belgium (100%)
- **VCV Nordics AS**
  - Kinly AS, Sandness, Norway (100%)
  - Kinly AB, Stockholm, Sweden (100%)
  - Kinly Ltd, Livingston, United Kingdom (100%), in liquidation
- **Kinly Bidco Ltd.**
  - AVMI Group Ltd., United Kingdom (100%)
  - AVMI Vision Investments Ltd., United Kingdom (100%)
  - AVMI Impact Indicate Private Ltd., India (100%)
  - AVMI Ltd., Hong Kong (100%)
  - AVMI Ireland Ltd., Ireland (100%)
  - AVM Ltd., United Kingdom (100%)
  - AVMI Kinly Ltd., United Kingdom (100%)
  - Focus 21 Holdings Ltd., United Kingdom (100%), in liquidation
  - Focus 21 Visual Communications Ltd, United Kingdom (100%), in liquidation

## 1.8. Section 402, Book 2 of the Dutch Civil Code

Since the income statement of the Company is included in the consolidated financial statements, an abridged income statement has been disclosed (in the Company financial statements) in accordance with Section 402, Book 2 of the Dutch Civil Code.

## 1.9. Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the Company are considered to be a related party. In addition, statutory directors, other (former) key management of the Company or the ultimate parent company and close relatives are regarded as related parties.

Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

## 1.10. Acquisition and disposal of group companies

Identifiable assets acquired and liabilities assumed in a business combination are recognised in the consolidated financial statements from the acquisition date, being the moment that control can be exercised over the acquired company.



The acquisition price consists of the cash consideration, or equivalent, agreed for acquiring the Company plus any directly attributable expenses. If the acquisition price exceeds the net amount of the fair value of the identifiable assets and liabilities, the excess is capitalised as goodwill under intangible assets. If the acquisition price is lower than the fair values of the acquired assets and liabilities, this is negative goodwill. Insofar as negative goodwill relates to expected future losses and expenses that have been considered in the acquisition plan and that can be reliably determined but which as yet do not form an identifiable liability on the acquisition date, this part of the negative goodwill will be taken to the profit and loss account as these losses and expenses occur. Negative goodwill that is not related to expected future losses and expenses, is taken to the profit and loss account as follows:

- the part of the negative goodwill that does not exceed the fair value of identifiable non-monetary assets, is consistently taken to the profit and loss account in proportion to the weighted average of the remaining useful life of the acquired amortizable assets; and
- the part of the negative goodwill that exceeds the fair value of identified non-monetary assets, is immediately taken to the profit and loss account.

Entities continue to be consolidated until they are sold; they are deconsolidated from the date that control ceases.

### *1.11. Accounting policies for the cash flow statement*

The cash flow statement has been prepared using the indirect method.

The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement.

Interest paid and received, dividends received, and income taxes are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities.

The purchase consideration paid for the acquired group company has been recognised as cash used in investing activities where it was settled in cash. Any cash at banks and in hand in the acquired group company have been deducted from the purchase consideration.

Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognised in the cash flow statement. The value of the related asset and lease liability are disclosed in the notes to the balance sheet items. Payments of finance lease instalments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

## **2. General policies**

### *2.1. General*

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the notes.



## 2.2. Foreign currency

### 2.2.1. Functional currency

Items included in the financial statements of group companies are measured using the currency of the primary economic environment in which the respective group company operates (the functional currency). The consolidated financial statements are presented in Euros, which is the functional and presentation currency of The Company. All amounts are in reflected in thousands unless otherwise indicated.

### 2.2.2. Transactions, receivables and liabilities

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date.

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the income statement unless hedge-accounting is applied.

Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date. Non-monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date on which the fair value was determined.

Translation differences on intragroup long-term loans that effectively constitute an increase or decrease in net investments in a foreign operation are directly recognised in equity as a component of the legal reserve for translation differences.

Translation differences on foreign currency loans contracted to finance a net investment in a foreign operation are recognised in the legal reserve for currency translation differences if and when such loans effectively hedge the exchange rate exposure on that net investment in a foreign operation.

### 2.2.3. Group companies

Assets and liabilities of consolidated subsidiaries with a functional currency different from the presentation currency are translated at the rate of exchange prevailing at the balance sheet date; income and expenses are translated at average exchange rates during the financial year. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of these subsidiaries and translated at the closing rate. Any resulting exchange differences are taken directly to the legal reserve for translation differences within equity.

## 2.3. Leasing

### 2.3.1. Financial leasing

The Company leases some of its assets, whereby it retains substantially all the risks and rewards of ownership of these assets. These assets are recognised on the balance sheet upon commencement of the lease contract at the lower of the fair value of the asset or the discounted value of the minimum lease payments. The lease instalments to be paid are divided into a repayment and an interest portion, using the annuity method. The liabilities under the lease, excluding the interest payments, are included under long-term debts.

The interest component is included in the income statement for the duration of the contract on the basis of a fixed interest percentage of the average remaining redemption component. The assets are depreciated over the remaining economic life or, if shorter, the duration of the contract.



### 2.3.2. *Operational leasing*

The Company may have lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of nor incurred by the Company. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, considering reimbursements received from the lessor, in the income statement for the duration of the contract.

### 2.4. *Financial instruments*

Securities included in financial and current assets are stated at fair value, if these are related to securities held for trading or if they relate to equity instruments not held for trading, as well as derivatives of which the underlying object is listed on a stock exchange. All other on-balance financial instruments are carried at (amortised) cost.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If no fair value can be readily and reliably established, fair value is approximated by deriving it from the fair value of components or of a comparable financial instrument, or by approximating fair value using valuation models and valuation techniques. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and/or option pricing models, making allowance for entity-specific inputs.

## 3. *Accounting policies applied to the valuation of assets and liabilities*

### 3.1. *Intangible fixed assets*

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset (or of the cash-generating unit to which the asset belongs) is higher than its realisable value.

With regard to the determination as to whether an intangible fixed asset is subject to an impairment, please refer to note 3.4 "Impairment of fixed assets".

#### 3.1.1. *Research and development costs*

Expenditure on development projects is capitalised as part of the production cost if it is likely from both a commercial and technical perspective that the project will be successful (i.e.: if it is likely that economic benefits will be realised) and the cost can be determined reliably. A legal reserve has been recognised within equity with regard to the recognised development costs for the capitalised amount. The amortisation of capitalised development costs commences at the time when the commercial production starts and takes place over the expected future useful life of the asset. Research costs are recognised in the income statement.

#### 3.1.2. *Concessions, licenses, order backlog, customer base, technology and intellectual property*

Costs of intangible assets other than those internally generated, including patents and licences, are valued at acquisition cost and amortised on a straight-line basis over their estimated future useful lives, with a maximum of 20 years.

#### 3.1.3. *Goodwill*

Goodwill resulting from acquisitions and calculated in accordance with section "Acquisition and disposal of group companies" is capitalised and amortised on a straight-line basis over the estimated economic life.

Negative goodwill is released in the income statement to the extent that charges and losses occur, where it is considered in the allocation of the acquisition and these charges and losses can be measured reliably. If expected charges and losses have not been considered, the negative goodwill is released based on the weighted average of the remaining life of the acquired amortisable assets. Insofar as the negative goodwill



exceeds the fair value of the non-monetary assets identified, the surplus is recognised directly in the income statement.

### 3.2. *Tangible fixed assets*

Tangible fixed assets are valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.

Impairments expected on the balance sheet date are considered. With regard to the determination as to whether a tangible fixed asset is subject to an impairment, please refer to the relevant section.

Subsidies on investments will be deducted from the historical cost price or production cost of the assets to which the subsidies relate.

### 3.3. *Financial fixed assets*

#### 3.3.1. *Participations*

Participations (associates), over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of an associate based on the net asset value is negative, it will be stated at nil. Only if and insofar as The Company can be held fully or partially liable for the debts of the associate, or if The Company has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

Newly acquired associates are initially recognised on the basis of the fair value of their identifiable assets and liabilities at the acquisition date. For subsequent valuations, the principles that apply for these financial statements are used, with the values upon their initial recognition as the basis.

The amount by which the carrying amount of the associate has changed since the previous financial statements as a result of the net result achieved by the associate is recognised in the income statement.

Participations over which no significant influence can be exercised are valued at historical cost. The result represents the dividend declared in the reporting year, whereby dividend not distributed in cash is valued at fair value.

In the event of an impairment loss, valuation takes place at the realisable value (see also section "Impairment of fixed assets"); an impairment is recognised and charged to the income statement.

#### 3.3.2. *Loans to associates*

Receivables recognised under financial fixed assets are initially valued at the fair value less transaction cost (if material). These receivables are subsequently valued at amortised cost. For determining the value, any impairments are considered.

#### 3.3.3. *Deferred tax assets*

Deferred tax assets are recognised for all deductible temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the accounting policies used in these financial statements on the other, on the understanding that deferred tax assets are only recognised insofar as it is probable that future taxable profits will be available to offset the temporary differences and available tax losses.



The calculation of the deferred tax assets is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

Deferred income taxes are recognised at nominal value.

#### 3.3.4. *Other financial fixed assets*

Other financial fixed assets recognised under financial fixed assets are initially measured at the fair value less transaction costs. These financial fixed assets are subsequently measured at amortised cost price, which is, in general, equal to the nominal value. For determining the value, any depreciation is considered.

#### 3.4. *Impairment of fixed assets*

On each balance sheet date, the Company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realisable value of the asset is determined. If it is not possible to determine the realisable value of the individual asset, the realisable value of the cash-generating unit to which the asset belongs is determined.

An impairment occurs when the carrying amount of an asset is higher than the realisable value; the realisable value is the higher of the fair value less cost to sell and the value in use. An impairment loss is directly recognised in the income statement while the carrying amount of the asset concerned is concurrently reduced.

The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. The costs deducted in determining net realizable value are based on the estimated costs that are directly attributable to the sale and are necessary to realize the sale. For the determination of the value in use, an estimate is made of the future net cash flows in the event of continued use of the asset / cash-generating unit; these cash flows are discounted. The discount rate does not reflect risks already considered in future cash flows.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the income statement

The amount of an impairment loss incurred on financial assets stated at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised through profit or loss.

If an impairment loss has been incurred on an investment in an equity instrument carried at cost, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The impairment loss shall be reversed only if the evidence of impairment is objectively shown to have been removed.

#### 3.5. *Inventories*

Inventories (stocks) are valued at historical price based on the FIFO method (first in, first out) or lower realisable value.



The historical cost consists of all costs relating to the acquisition and the costs incurred in order to bring the inventories to their current location and current condition.

The realisable value is the estimated sales price less directly attributable sales costs. In determining the realisable value, the obsolescence of the inventories is considered.

### 3.6. *Accounts receivable*

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method.

When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

### 3.7. *Other receivables*

Other receivables are recognised initially at fair value and subsequently measured at amortised cost.

### 3.8. *Cash at banks and in hand*

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

### 3.9. *Equity*

When the Company purchases treasury shares, the consideration paid is deducted from equity (other reserves) or any other reserve if the articles of association allow so) until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received is included in equity (other reserves or any other reserve). The consideration received will be added to the reserve from which earlier the purchase price has been deducted

Incremental costs directly attributable to the purchase, sale and/or issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

### 3.10. *Share premium*

Share capital contributions above the nominal share capital amount are classified as share premium.

### 3.11. *Revaluation and legal reserves*

If revaluations have been recognised in the revaluation reserve after the deduction of relevant (deferred) tax liabilities, the gross result of the realised revaluations is recognised in the income statement. The corresponding release of the (deferred) tax liabilities is charged to the operating result as tax on the result.

Legal reserves are recognized in line with stipulated by local law and regulations.



## 3.12. Provisions

### 3.12.1. General

Provisions are recognised for legally enforceable or constructive obligations that exist at the balance sheet date, and for which it is probable that an outflow of resources will be required, and a reliable estimate can be made.

Provisions are measured at the best estimate of the amount that is necessary to settle the obligation as per the balance sheet date.

If obligations are expected to be reimbursed by a third party, such reimbursement is included as an asset in the balance sheet if it is probable that such reimbursement will be received when the obligation is settled.

### 3.12.2. Pension provision

The group has various pension plans. These are financed through contributions to pension providers, i.e., insurance companies. The pension obligations of the pension plans classify as defined contribution plans and are thus valued according to the 'valuation to pension fund approach'. This approach accounts for the contribution payable to the pension provider as an expense in the profit and loss account.

Based on the administration agreement it is assessed whether and, if so, which obligations exist in addition to the payment of the annual contribution due to the pension provider as at balance sheet date. These additional obligations, including any obligations from recovery plans of the pension provider, lead to expenses for the group and are included in a provision on the balance sheet. With final salary pension plans an obligation (provision) for (upcoming) past service is included if future salary increases have already been defined as at balance sheet date.

The valuation of the obligation is the best estimate of the amounts required to settle this as at balance sheet date. If the effect of the time value of money is material, the obligation is valued at the present value. Discounting is based on interest rates of high-quality corporate bonds.

Additions to and release of the obligations are recognised in the profit and loss account.

A pension receivable is included in the balance sheet when the group has the right of disposal over the pension receivable and it is probable that the future economic benefits which the pension receivable holds will accrue to the group, and the pension receivable can be reliably established.

### 3.12.3. Deferred tax liabilities

Deferred tax liabilities are recognised for temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the book values applied in these financial statements on the other. The computation of the deferred tax liabilities is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

Deferred income tax is provided on temporary differences arising on investments in group companies, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probably that the temporary difference will not reverse in the foreseeable future. Deferred tax balances are valued at nominal value.

## 3.13. Non-current liabilities (Long-term debts)

The long-term debts are accounted for at amortised cost including the transaction costs which can be directly attributed to the acquisition of the long-term debts.



### 3.14. *Current liabilities*

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, considering premiums or discounts, less transaction costs. This usually is the nominal value.

## 4. *Principles for the determination of the result*

### 4.1. *General*

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

### 4.2. *Revenue recognition*

#### 4.2.1. *General*

Net turnover comprises the income from the supply of goods and services and realised income from service contracts after deduction of discounts and of taxes levied on the turnover.

Revenue is recognized based on the various business lines of the Company regardless of whether the contract with the customer includes multiple services in one contract. In the case that multiple services (multi element) are provided to a customer under one contract, the revenue is split and recognized according to the business lines and the related revenue recognition methodology.

The following business lines are recognized:

#### 4.2.2. *Hardware and software*

This business line comprises the reselling of hardware and software components sourced from third parties. The revenue is recognized at the delivery date unless the contract stipulates differently.

#### 4.2.3. *Professional services*

This business line comprises system integration services including hardware and software components on project basis including man-hour work performed in the planning, design and implementation phase. Revenue is recognized using the percentage of completion method

#### 4.2.4. *Rental*

This business line comprises the short-term rental of audio visual and video conference equipment on project basis including man-hour work performed in the planning, design and implementation phase. Rental revenue is recognized at the rental date.



#### 4.2.5. *Service contracts*

This business line Service contracts mainly include manufacturer backed agreements on spare parts and basic support such as third-party warranties (reselling) and service level agreements ('SLA') related to on- and off-site maintenance, including onsite technicians, proactive monitoring and 24/7 support. Contracts normally comprise a retainer fee and additional agreements on actual hours spent.

Service contracts (SLA and framework contract) retainer fees are recognized on a linear basis into monthly portions over the contractual period of the service contract. Service contract hours are invoiced and recognized in the month they occur based on registered hours (included in the ERP system) against the contractual hourly rate.

#### 4.2.6. *Cloud*

This business line comprises cloud-based services such as personal cloud rooms including all related start-up / set-up fees and other one-off fees related to the public and private cloud product. Services are mainly subscription based and prepaid. Subscription periods may vary from client to client. Revenue is recognized on a linear basis over the total contractual period not including expected extensions of the contract.

### 4.3. *Employee cost (employee benefits)*

#### 4.3.1. *Short-term employee cost*

Salaries, wages and social security contributions are charged to the income statement based on the terms of employment, where they are due to employees and the tax authorities respectively.

#### 4.3.2. *Pensions*

The Company applies the liability approach for all pension schemes. The premium payable during the financial year is charged to the result. Please also refer to the valuation principles for assets and liabilities, under Provision for pensions. Reference is also made to the relevant notes with respect to pension schemes of foreign subsidiaries.

### 4.4. *Amortisation of intangible fixed assets and depreciation of tangible fixed assets*

Intangible assets, including goodwill, are amortized and property, plant and equipment are depreciated over the estimated economic life / expected useful life as from the inception of their use. Future depreciation and amortization are adjusted if there is a change in estimated future useful life. Gains and losses from the occasional sales of property, plant and equipment are included in depreciation.

### 4.5. *Government subsidies and taxes*

Operating subsidies are recorded as income in the income statement in the year in which the subsidised costs were incurred or income was lost or when there was a subsidised operating deficit. Income is recognised when it is probable that it will be received.

Subsidies related to investments in tangible fixed assets are deducted from the asset to which they relate and recorded in the income statement as part of the amortisation costs. Government taxes are recorded as expenses at the time all conditions with regard to the applicable government tax have been met.

### 4.6. *Financial income and expense*

#### 4.6.1. *Interest income and interest expenses*

Interest income and expenses are recognised on a pro rata basis, considering the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

#### 4.6.2. *Currency translation differences*

Currency translation differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they are realised.



#### 4.7. *Income tax*

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets), exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

#### 5. *Business combinations*

On 28 May 2020 Kinly Bidco Ltd. acquired all shares in AVMI Group Limited ("AVMI") via a debt-equity transaction for a total consideration of €55,513 including related transaction costs. In its latest full financial year ending 30 June 2019, AVMI reported revenues of £81,200 (€92,121), an operating profit of £2,900 (€3,290) and a net profit of £3,800 (€4,311).

#### 6. *Financial instruments and risk management*

##### 6.1. *Market risk*

###### 6.1.1. *Currency risk*

The Company operates in a worldwide setting with the main concentration of sales in Europe and the US. The currency risk for the Company largely concerns positions and future transactions in US dollar, British pound sterling, Norwegian Krona and, to a lesser extent Malaysian ringgit, and Singapore dollar. Fluctuations in these exchange rates both directly and indirectly create a financial risk for the consolidated group. The Company does not actively hedge this risk.

###### 6.1.2. *Interest rate and cash flow risk*

The Company incurs interest rate risk on interest-bearing receivables (in particular those included in financial assets, securities and cash) and on interest-bearing non-current and current liabilities (including borrowings).

Where floating interest bearing receivables and borrowings are concerned, the Company incurs risk regarding future cash flows. The Company addresses the floating interest rate risks by entering into appropriate financial instruments to mitigate the adverse impact of related risks on future cashflows. In addition, the Company incurs risk on fixed-interest loans and receivables with respect to the fair value due to changes in the market rate of interest.

No financial derivatives for hedging of the interest rate risk are contracted with regard to the receivables. No significant differences exist between the nominal values and the fair value at year-end.



## 6.2. Operational risk

The Company is dependent on third-party products for its projects, with a resulting high focus on purchasing and inventory management. The COVID-19 pandemic has impacted global industries of all kinds. However, few have felt greater supply chain pressures than semiconductor companies. The demand for chips shows a continuing growth driving supply chain focus for both the semiconductor companies and those reliant on chips. As Kinly's products are potentially effected, related procurement has management's ongoing attention, and could potentially affect our operations and cash flow.

## 6.3. Credit risk

The Company and its subsidiaries are mainly exposed to credit risk related to trade receivables and other receivables such as accrued income (work performed, product delivered to be invoiced). Kinly reduces its exposure to credit risk through credit check, approval procedures of all counterparties that trade on credit with the group and by using advance payments methods in commercial agreements. Certain consolidated entities reduce their credit risk further by application of a credit insurance for part of their trade receivables.

The maximum risk of exposure is represented by the carrying value of financial assets in the balance sheet.

The Groups provision for credit loss is related to the provision of trade receivables.

The Company has issued loans to its subsidiary and borrowed from related parties. These counterparties do not have a history of non-performance.

## 6.4. Liquidity risk

Liquidity risk represents the risk that the group will not be able to service its financial obligations as the fall due. The strategy of The Company for managing liquidity risks is to have sufficient liquid assets at any time to meets its financial obligations when due, without risking unacceptable losses or the group's reputation. The liquidity positions of Group are managed on a day-to-day basis.



**Notes to the Consolidated balance sheet**

**7. Intangible fixed assets**

	<i>Goodwill</i>	<i>R&amp;D</i>	<i>Customer relations</i>	<i>Technology &amp; Other</i>	<i>Total</i>
	€'000	€'000	€'000	€'000	€'000
<b>Balance at 1 January 2021</b>					
Cost	86,921	3,081	17,443	235	107,680
Cumulative amortisation	(13,343)	(2,081)	(7,733)	(20)	(23,177)
<b>Book value</b>	<b>73,578</b>	<b>1,000</b>	<b>9,710</b>	<b>215</b>	<b>84,503</b>
<b>Movements - Cost</b>					
Investments	173	14	-	244	431
Retirements	(1,253)	(125)	-	(156)	(1,534)
Reclasses	-	78	-	(78)	-
Currency translation	5,504	258	130	65	5,957
<b>Total cost</b>	<b>4,424</b>	<b>225</b>	<b>130</b>	<b>75</b>	<b>4,854</b>
<b>Movements - Amortisation</b>					
Amortisation	(12,789)	(539)	(2,634)	(188)	(16,150)
Retirements	1,253	125	-	156	1,534
Reclasses	-	(78)	-	78	-
Currency translation	(1,217)	(126)	(35)	(67)	(1,445)
<b>Total amortisation</b>	<b>(12,753)</b>	<b>(618)</b>	<b>(2,669)</b>	<b>(21)</b>	<b>(16,061)</b>
<b>Balance at 31 December 2021</b>					
Cost	91,345	3,306	17,573	310	112,534
Cumulative amortisation	(26,096)	(2,699)	(10,402)	(41)	(39,238)
<b>Book value</b>	<b>65,249</b>	<b>607</b>	<b>7,171</b>	<b>269</b>	<b>73,296</b>
<i>Amortisation period (years)</i>	<i>7</i>	<i>3</i>	<i>7</i>	<i>5</i>	

The amortization period for the goodwill is based on the remaining terms of customer relationships, financing acquired, and terms of other contracts taken over at time of acquisitions.



	<i>Goodwill</i>	<i>R&amp;D</i>	<i>Customer relations</i>	<i>Order backlog</i>	<i>Technology &amp; Other</i>	<i>Total</i>
	€'000	€'000	€'000	€'000	€'000	€'000
<b>Balance at 1 January 2020</b>						
Cost	16,663	2,565	15,800	2,800	600	38,428
Cumulative amortisation	(5,845)	(1,364)	(5,267)	(2,800)	(467)	(15,743)
<b>Book value</b>	<b>10,818</b>	<b>1,201</b>	<b>10,533</b>	<b>-</b>	<b>133</b>	<b>22,685</b>
<b>Movements - Cost</b>						
Acquired	71,704	-	1,662	1,415	-	74,781
Investments	-	853	-	-	215	1,068
Retirements	(518)	(169)	-	(4,215)	(679)	(5,581)
Reclasses	(99)	-	-	-	99	-
Currency translation	(829)	(168)	(19)	-	-	(1,016)
<b>Total cost</b>	<b>70,258</b>	<b>516</b>	<b>1,643</b>	<b>(2,800)</b>	<b>(365)</b>	<b>69,252</b>
<b>Movements - Amortisation</b>						
Amortisation	(8,229)	(729)	(2,469)	(1,415)	(140)	(12,982)
Retirements	518	169	-	4,215	679	5,581
Reclasses	92	-	-	-	(92)	-
Currency translation	121	(157)	3	-	-	(33)
<b>Total amortisation</b>	<b>(7,498)</b>	<b>(717)</b>	<b>(2,466)</b>	<b>2,800</b>	<b>447</b>	<b>(7,434)</b>
<b>Balance at 31 December 2020</b>						
Cost	86,921	3,081	17,443	-	235	107,680
Cumulative amortisation	(13,343)	(2,081)	(7,733)	-	(20)	(23,177)
<b>Book value</b>	<b>73,578</b>	<b>1,000</b>	<b>9,710</b>	<b>-</b>	<b>215</b>	<b>84,503</b>
<i>Amortisation period (years)</i>	<i>7</i>	<i>3</i>	<i>7</i>	<i>1</i>	<i>5</i>	



**8. Tangible fixed assets**

	<i>Leasehold improvements</i>	<i>Cars and vehicles</i>	<i>Furniture and fixtures</i>	<i>Other assets</i>	<i>Total</i>
	€'000	€'000	€'000	€'000	€'000
<b>Balance at 1 January 2021</b>					
Cost	964	341	5,767	8,413	15,485
Cumulative depreciation	(535)	(132)	(4,247)	(6,848)	(11,762)
Book value	429	209	1,520	1,565	3,723
<b>Movements - Cost</b>					
Investments	152	215	712	1,069	2,148
Retirements	-	-	(1,567)	(218)	(1,785)
Reclasses	352	274	(1,380)	754	-
Currency translation	79	54	300	403	836
<b>Total cost</b>	<b>583</b>	<b>543</b>	<b>(1,935)</b>	<b>2,008</b>	<b>1,199</b>
<b>Movements - Depreciation</b>					
Depreciation	(176)	(83)	(363)	(1,171)	(1,793)
Retirements	-	-	1,567	218	1,785
Reclasses	(364)	(302)	1,009	(343)	-
Currency translation	(64)	(216)	(835)	(190)	(1,305)
<b>Total amortisation</b>	<b>(604)</b>	<b>(601)</b>	<b>1,378</b>	<b>(1,486)</b>	<b>(1,313)</b>
<b>Balance at 31 December 2021</b>					
Cost	1,547	884	3,832	10,421	16,684
Cumulative depreciation	(1,139)	(733)	(2,869)	(8,334)	(13,075)
Book value	408	151	963	2,087	3,609
<b>Depreciation period (years)</b>	<b>5-10</b>	<b>3-5</b>	<b>3-7</b>	<b>3-5</b>	

The carrying value of assets under financial leasing, which are held without legal title by the Company amounts to €10 (2020: €55).



	<i>Leasehold improvements</i>	<i>Cars and vehicles</i>	<i>Furniture and fixtures</i>	<i>Other assets</i>	<i>Total</i>
(x 1,000)	€'000	€'000	€'000	€'000	€'000
<b>Balance as at 1 January 2020</b>					
Cost	1,400	183	4,221	7,351	13,155
Cumulative depreciation	(723)	(37)	(2,919)	(6,001)	(9,680)
Book value	677	146	1,302	1,350	3,475
<b>Movements</b>					
Additions	141	109	523	516	1,289
Disposals	90	20	428	325	863
Depreciation	(149)	(63)	(498)	(1,000)	(1,710)
Currency translation	(330)	(3)	(235)	374	(194)
Total movements	(248)	63	218	215	248
<b>Balance as at 31 December 2020</b>					
Cost	964	341	5,767	8,413	15,485
Cumulative depreciation	(535)	(132)	(4,247)	(6,848)	(11,762)
Book value	429	209	1,520	1,565	3,723
Depreciation period (years)	5-10	3-5	3-7	3-5	



## 9. Financial fixed assets

Financial fixed assets can be specified as follows:

	<i>Deferred tax assets</i>			<i>Deferred tax assets</i>		
	<i>Deposits</i>	<i>Total 2021</i>		<i>Deposits</i>	<i>Total 2020</i>	
	€'000	€'000	€'000	€'000	€'000	€'000
<b>Balance at 1 January</b>	1,221	23	1,244	701	-	701
Acquired	-	-	-	28	-	28
Additions	812	-	812	517	23	540
Utilization	-	-	-	-	-	-
Currency translation	143	-	143	(25)	-	(25)
<b>Balance as at 31 December</b>	<b>2,176</b>	<b>23</b>	<b>2,199</b>	<b>1,221</b>	<b>23</b>	<b>1,244</b>

Deferred tax assets relate to deductible temporary differences of €0 (2020: €125) and deductible losses carried forward of €2,176 (2020: €1,096). The deductible losses carried forward are expected to be offset against future profits in the coming years. Deferred tax assets of €608 (2020: €96) are expected to be realized within one year, with the remaining balance to be realized in following one to six years.

## 10. Inventories

Inventories amount to €12,110 (2020: €7,270) and relate to third party produced products available for resale. Inventories are net of a provision for obsolescence of €794 (2020: €799). In 2021 nil (2020: nil) was scrapped and recognised as a loss in the profit and loss account.

All inventories are encumbered with an undisclosed pledge as security interest for the credit provision by the lender. See also note "Debts to lending institutions".



## 11. Receivables

Receivables can be specified as follows:

	<u>31-12-2021</u>	<u>31-12-2020</u>
	€'000	€'000
Trade debtors	45,627	40,857
Accrued income	16,183	11,639
Deferred costs	6,928	-
Prepaid expenses	7,228	13,068
Valued added tax	3	6
Corporate income tax	2,462	1,176
Receivables on directors and shareholders	216	346
Other receivables	1,653	1,757
	<u>80,300</u>	<u>68,849</u>

The fair value of the receivables approximates the carrying amount due to their short-term character and the fact that provisions for bad debt are recognised, where necessary. Trade debtors are shown net of a provision for doubtful debtors of €405 (2020: €539).

Accrued income relates to unbilled receivables, invoiced subsequent to year-end.

Deferred costs relate to projects in progress and service contracts at year-end (included in prepaid expenses in 2020). Related expenses are recognised as costs within one year.

Receivables on directors and shareholders accrue interest of 4% per annum. All amounts are due within one year, except the receivables on directors and shareholders, which have terms between 1 and 5 years.

## 12. Cash and cash equivalents

Cash and cash equivalents represent cash at banks and is at free disposal of the Group.

## 13. Group equity

The shareholders' equity is detailed in the notes to the Company stand-alone financial statements.



#### 14. Provisions

The movements in provisions are as follows:

	Deferred tax liabilities			Deferred tax liabilities 2020		
	Dilapidation	Total 2021	Total 2021	Dilapidation	Total 2020	Total 2020
(x 1,000)	€'000	€'000	€'000	€'000	€'000	€'000
<b>Balance at 1 January</b>	2,524	449	2,973	2,438	-	2,438
Acquired	-	-	-	309	-	309
Additions	-	-	-	144	449	593
Release	(578)	(449)	(1,027)	(369)	-	(369)
Currency translation effect	235	-	235	2	-	2
<b>Balance at 31 December 2021</b>	<b>2,181</b>	<b>-</b>	<b>2,181</b>	<b>2,524</b>	<b>449</b>	<b>2,973</b>

An amount of €1,063 (2020: €2,155) of the deferred tax liabilities has a maturity of longer than one year.

Deferred tax liabilities are recognised for the taxable temporary differences between the tax base and the accounting base of (in)tangible fixed assets, mainly for customer relations acquired.

The dilapidation provision relates to the estimated cost to be incurred in case the lease on a UK property is terminated whereby the Group is required to bring the property back in its original state.

#### 15. Non-current liabilities

	Debts to lending institutions	Debts to related parties	Financial lease obligations	Total
	€'000	€'000	€'000	€'000
Balance at 1 January 2021	53,023	2,939	55	56,017
<b>Movements</b>				
Additions	13,093	-	-	13,093
Repayments	-	(3,013)	(45)	(3,058)
Fee amortisation	669	-	-	669
Interest in-kind	981	74	-	1,055
Currency translation	612	-	-	612
Total movements	15,355	(2,939)	(45)	12,371
<b>Balance at 31 December 2021</b>	<b>68,378</b>	<b>-</b>	<b>10</b>	<b>68,388</b>
Due within one year	€0 (2020: €0)	€0 (2020: €2,939)	€10 (2020: €22)	€10 (2020: €2,961)



Repayment obligations falling due within 12 months from the end of the financial year, as set out above, amount to €10 (2020: €2,961).

Debts to lending institutions are denominated in euros, except British pound denominated loans of £9,171 (€10,924) (2020: £8,955; €10,300).

#### Debts to lending institutions

Following to the acquisition of AVMI Group Ltd. on 28 May 2020, the Group refinanced its existing credit facility, with a Senior Facility with funds advised by a third-party finance provider, under which the Group borrowed €55,300, consisting of an €45,000 term loan and an £8,955 (€10,300) term loan. The maturity date of this facility is May 2027.

Loans are net of finance fees of €1,871 (2020: €2,662). The financing fees were paid in light of newly obtained external financing during the year, which is subsequently amortised to other financial expenses over the initial seven-year term of the financing agreement.

During the year the Group obtained additional funding from the third-party finance provider at same terms and conditions as the existing term loans. The funding received included €293 finance arrangement fees.

The senior facility agreement require the Group to report less than a maximum leverage, defined by net debt over adjusted net income before charges for tax, financial income and expenses, depreciation and amortisation. The covenant per 31 December 2021 is met.

#### Debts to related parties

In connection with the acquisition of MK2 Group B.V. ("MK2") in 2018, the Company borrowed a total of €2,504 from the former shareholders of MK2. The interest rate on this shareholder loan is fixed at 6% and is accrued with the principal outstanding. On 31 May 2021 the loan and capitalized interest were repaid in full. The repayment was funded with an additional facility through the third-party finance provider.

#### Financial lease obligations

Financial lease obligations mature within one year to the extent of €10 (2020: €22) with the balance between one to five years. The Group has several financial lease contracts, which all mature within two years. Repayment is done in monthly instalments including interest. The obligations bear interest at 5%. No securities were granted.



## 16. Current borrowings

	31-12-2021	31-12-2020
	€'000	€'000
Debts to lending institutions	9,703	9,793
US forgiveness loan	-	1,300
	<u>9,703</u>	<u>11,093</u>

### Debts to lending institutions

Balance relates to the amounts drawn under the €10,000 ancillary credit facility.

### US forgiveness loan

Through its US subsidiary, the Company obtained a loan from the US government amounting to US\$1,500 (€1,300). Subject to approval by the respective governmental institutions, the loan is in principle a grant without repayment obligation. Given the uncertainty at balance sheet date, the grant is presented as a liability. In May 2021, US congress formally approved the loan to be forgiven and as result no repayment obligation exists. The loan was released as part of operating income in 2021. The loan was subject to 1% interest.

### Financial lease obligations

Financial lease obligations due within 12 months are included under non-current liabilities in 2021.

## 17. Other current liabilities

Other current liabilities can be specified as follows:

	31-12-2021	31-12-2020
	€'000	€'000
Trade creditors	27,778	28,216
Deferred income	56,371	40,425
Accruals	14,242	16,497
Valued added tax	6,488	7,204
Wage tax	2,485	2,486
Pension	174	144
Corporate income tax	1,107	965
Other payables	713	1,703
	<u>109,358</u>	<u>97,640</u>

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the book value due to their short-term character.

Deferred income relates to projects, service contracts and cloud hosting service which are billed (partly) in advance. The majority of the deferred income will be recognised as income within one year.

Accruals generally relate to project related costs, for which no invoice was received at year-end. The liabilities are settled within one year.



## 18. *Assets and liabilities not recognised in balance sheet*

### 18.1. *Financing facilities*

Following to the acquisition of AVMI Group Ltd. at 28 May 2020, the Group refinanced its existing credit facility, with a Senior Facility with funds advised by a third-party finance provider, under which it originally borrowed €55,300, consisting of an €45,000 term loan and an £8,955 (€10,300) term loan. The related interest rates vary between 8.5% and 8.65% during the year. During the year the Group obtained additional funding €12,800 from the third-party finance provider at same terms and conditions as the existing term loans. The maturity date of this facility is 27 May 2027.

In addition, the existing facility with a principal Dutch bank was converted in an €10,000 ancillary facility with a maturity date of 27 May 2027. At year-end 2021 €9,775 was drawn under the ancillary facility. The interest during 2021 was 2.75% (2020: 2.75%).

The Company's subsidiary Tree Holding B.V., and the majority of its subsidiaries are severally and jointly liable to the lending institutions. Pledges on the shares and tangible fixed assets, inventory and receivables of the main operating companies as well as Tree Holding B.V. are provided as security.

Furthermore, an overdraft facility exists with the Norwegian subsidiaries. The maximum of the overdraft facility for the Norwegian subsidiaries amounts to approximately €2,500 per 31 December 2021 (2020: €700). At year-end 2021 the overdraft was not used (2020: nil). Pledges on tangible assets, trade debtors and inventories serve as security. The debit interest is NIBOR 3M+2.4% and amounted to 3.00% in 2021 (2020: 2.64%) on average and the credit interest amounts to NIBOR 3M +0.25% or 0.85% on average in 2021 (2020: 0.1%).

### 18.2. *Conditional assets and obligations*

In 2021 the Company has provided bank guarantees for respectively €1,222 (2020: €999) relating to office rent contracts.

### 18.3. *Operational leasing*

The obligations from operational leases at the end of the reporting period can be specified as follows:

	31-12-2021	31-12-2020
	€'000	€'000
Within one year	2,327	2,701
Between one and five years	4,632	2,791
After five years	175	-
	<u>7,134</u>	<u>5,492</u>

During the financial period an amount of €2,650 (2020: €2,426) was recognised in the income statement with respect to operating lease payments.

The Group has sub-lease agreements for buildings in place with amounts to be received within one year of €18 at 31 December 2021 (2020: none).



## 18.4. Fiscal unities

### Netherlands

For Dutch corporate income tax purposes, the Company is part of a fiscal unity since 1 January 2018. Pursuant to the Dutch corporate income tax law, the Company and its subsidiaries included in the fiscal unity are both severally and jointly liable for the tax payable by the combination.

In the financial statements of subsidiaries, tax expenses are calculated on the basis of the commercial result realised by these subsidiaries. The Company and included subsidiaries settle these expenses through their intercompany (current) accounts.

For Dutch value-add tax purposes, Kinly Holding and its Dutch subsidiaries form a fiscal unity. Pursuant to the Dutch value-add tax law, Kinly Holding B.V. and its Dutch subsidiaries included in the fiscal unity are both severally and jointly liable for the tax payable by the combination.

### United Kingdom

For UK valued-added and corporate income tax purposes Kinly Bidco Ltd. and its UK based subsidiaries form a fiscal unity since 21 September 2020. Pursuant to the UK value-add tax law, Kinly Bidco Ltd. and its UK subsidiaries included in the fiscal unity are both severally and jointly liable for the tax payable by the combination.

### Norway

For Norwegian valued-add tax purposes Kinly Holding AS and Kinly AS form a fiscal unity. Pursuant to Norwegian value-add tax law, the entities included in the fiscal unity are both severally and jointly liable for the tax payable by the combination.



## Notes to the consolidated income statement

### 19. Net turnover

The breakdown of revenue by region is as follows:

	2021	2020
	€'000	€'000
The Netherlands	40,558	53,322
Other EU countries	8,895	57,115
Other European countries	143,811	60,905
Other countries	50,683	39,733
	<u>243,947</u>	<u>211,075</u>

The breakdown of revenue by category is as follows:

	2021	2020
	€'000	€'000
Hardware and software	122,418	109,886
Professional services	44,809	35,979
Service contracts	35,655	33,485
Cloud	19,795	18,847
Rental and other	21,270	12,878
	<u>243,947</u>	<u>211,075</u>

### 20. Cost of subcontracted work and other external charges

Cost of subcontracted work and other external charges relate to third party costs of goods and software, including licenses, sold and costs relating to third party contractors used in hardware installation and service contract related activities.

### 21. Pension plans

At year-end there are no obligations for which a pension provision has been included. The 2021 pension contribution charged to the profit and loss account amounts to €1,843 (2020: €553). The Group has pension plans for the majority of its personnel. No pension plan exists for US employees. The main characteristics of the plans are as follows.

#### Dutch Pension plan

The Group has concluded a pension plan with an insurance company for its Dutch personnel. The pensionable salary is capped at €108. This plan is a defined contribution plan. The accrual of the intended pension entitlements is always fully funded in the related calendar year through contribution payments. The capital available for the purchase of a pension equals the investment value as at pension date. The return on the contribution payments has not been guaranteed.



## Norwegian Pension plan

The Group has concluded a pension plan with an insurance company for its Norwegian personnel. This plan is a defined contribution plan. The accrual of the intended pension entitlements is always fully funded in the related calendar year through contribution payments. The capital available for the purchase of a pension equals the investment value as at pension date. The return on the contribution payments has not been guaranteed.

## UK Pension plan

The Group has concluded a pension plan with an insurance company for its personnel in the United Kingdom. This plan is a defined contribution plan. The accrual of the intended pension entitlements is always fully funded in the related calendar year through contribution payments. The capital available for the purchase of a pension equals the investment value as at pension date. The return on the contribution payments has not been guaranteed.

## **22. Management incentive plan**

The Company, through its indirect subsidiary Kinly Holding B.V., has entered into management incentive agreements with several key management members of the Company or its (in)direct subsidiaries. As the incentive is driven by the equity value of the Company, the accounting standard for share-based payments (RJ 275) is applicable. The incentive is dependent on the equity value at exit, a predetermined hurdle equity value, continuous employment of the employee and the occurrence of an exit event through sale or listing of the Company. Since a participant is entitled to a percentage of the equity value in excess of the hurdle, if any, the substance of an award is equal to the grant of a share option exercisable at exit. The Company has therefore elected to measure the incentive using the intrinsic value method. The incentive will be cash-settled and as a result a liability is recognized at the intrinsic value of the awards. The Company's equity value as of the reporting date has been estimated by using an internal valuation model (EBITDA multiple) whereby the result did not exceed the hurdle equity value. Consequently, the intrinsic value of the share-based payment awards is determined to be nil at 31 December 2021.

## **23. Number of employees**

Per 31 December 2021 1,188 (2020: 1,054) employees were employed on a full-time basis, of which, 980 (2020: 846) outside the Netherlands. Average number of employees were as follows:

	<u>2021</u>	<u>2020</u>
Sales	138	135
Support	753	570
Other	104	97
	<u>995</u>	<u>802</u>



**24. Remuneration Board of Directors and Supervisory Board**

The Board of Directors of the Company consists of 2 members (2020:2). The supervisory board consists of 4 (2020: 4) members, who in total received €113 as remuneration (2020: €100). The following remuneration was received by the board of directors.

	<b>2021</b>	<b>2020</b>
	<b>€'000</b>	<b>€'000</b>
Wages and salaries	817	518
Social security charges	21	19
Pension contributions	19	10
Other employee costs	20	1
	<u>877</u>	<u>548</u>

**25. Amortization of intangible fixed assets**

	<b>2021</b>	<b>2020</b>
	<b>€'000</b>	<b>€'000</b>
Amortisation of intangible fixed assets	16,150	12,982
	<u>16,150</u>	<u>12,982</u>

**26. Depreciation of tangible fixed assets**

	<b>2021</b>	<b>2020</b>
	<b>€'000</b>	<b>€'000</b>
Depreciation of tangible fixed assets	1,793	1,710
	<u>1,793</u>	<u>1,710</u>



## 27. Other operating expenses

	2021	2020
	€'000	€'000
Other employee expenses	3,896	6,499
Housing expenses	3,494	3,126
Selling expenses	627	636
Car expenses	1,880	856
Office expenses	4,271	3,667
General expenses	7,370	8,378
	21,538	23,162

### Government subsidies

The Group has not recognised a government subsidy with regard to research and development ('WBSO') in The Netherlands (2020: €48). In the UK, the Group, received government furlough contributions of nil (2020: €1,855) in light of COVID-19 UK measures. In Norway, the Group received nil (2020: €113) government grants with regard to an innovation scheme. The subsidies have been deducted from other employee expenses.

### Audit fees

The following audit fees were expensed in the income statement in the reporting period:

2021	<i>Mazars</i>	<i>Other Mazars</i>	<i>Other firms</i>	<i>Total fees</i>
	<i>Accountants</i>	<i>network</i>		
	€'000	€'000	€'000	€'000
Audit of the financial statements	165	304	46	515
Other audit services	15	56	1	72
	180	360	47	587

2020	<i>Mazars</i>	<i>Other Mazars</i>	<i>Other firms</i>	<i>Total fees</i>
	<i>Accountants</i>	<i>network</i>		
	€'000	€'000	€'000	€'000
Audit of the financial statements	467	423	107	997
Other audit services	15	-	-	15
	482	423	107	1,012

The fees listed above relate to the procedures applied to the Company and its consolidated group entities by accounting firms and external auditors as referred to in Section 1, subsection 1 of the Audit Firms Supervision Act ('Wet toezicht accountantsorganisaties - Wta') as well as by Dutch and foreign-based accounting firms, including their tax services and advisory groups.

The audit fee for the Netherlands amounts to €165 (2020: €467). The audit fees relate to the audit of the financial statements for year ended 31 December 2021 and 2020, respectively.



28. *Financial income and expense*

	<u>2021</u>	<u>2020</u>
	€'000	€'000
Interest and similar income	39	46
Interest and similar expenses	(5,644)	(3,333)
Interest and similar income – to related parties	6	6
Interest and similar expenses – to related parties	(74)	(167)
Other financial income and expense	(1,206)	(508)
Exchange differences	2,022	(633)
	<u>(4,857)</u>	<u>(4,589)</u>

An amount of €981(2020: €498) of interest expenses is capitalised as part of the principal amounts of third-party loans, while a net amount of €68 (2020: €161) is capitalised as part of the principal amounts of loans from and to related parties.



## 29. Tax on result

The tax on the result can be specified as follows:

	2021	2020
	€'000	€'000
Result before tax	(14,098)	(13,505)
Deferred corporate income tax	1,218	394
Corporate income tax current financial year	348	(286)
<b>Tax on result (charge)/income</b>	<b>1,566</b>	<b>108</b>
Effective tax rate	-11.1%	-0.8%
Applicable tax rate	21.4%	22.4%

The applicable tax rate is based on the proportion of the contribution to the result by the group entities and the tax rate applicable in the respective countries.

The effective tax rate mainly deviates from the applicable tax rate as a result of permanent differences. Differences between commercial (accounting) profit and taxable profit arise as a result of, amongst others, non-deductible amortization of goodwill and other intangible assets.

	2021	2020
	€'000	€'000
Profit / (loss) according to financial statements	(14,098)	(13,505)
<i>Net tax impact:</i>		
CIT based on applicable rate in The Netherlands	3,554	3,376
Amortization of goodwill – not deductible in respective countries	(3,197)	(2,451)
Rate differences	(500)	(617)
Tax exempt items, net	1,502	-
CFL not recognized	-	(81)
Carry back	-	217
Temporary differences	(135)	-
Other permanent differences	-	(784)
Additional CFL recognized	203	183
Other	139	265
<b>Tax on result - (charge) / benefit</b>	<b>1,566</b>	<b>108</b>



## **Other notes**

### **30. Related party disclosure**

There were no related party transactions in the reporting period which were not executed at normal market conditions.

The Company has issued loans to former shareholders and directors. Reference is made to note 11 Other receivables and note 15 Non-current liabilities. For further information about the remuneration of directors, reference is made to note 23 Remuneration of the board of directors.

In connection with the acquisition of MK2 Group B.V. ("MK2") in 2018, the Company borrowed a total of €2,504 from the former shareholders of MK2. The interest rate on this shareholder loan is fixed at 6% and is accrued with the principal outstanding. On the anniversary of the loan the interest will be capitalized with the loan. On 31 May 2021 the loan and capitalized interest were repaid in full.

Through Stichting Administratiekantoor Kinly, the board of directors, former shareholders and selected employees hold 5.0% of the outstanding shares of the Company at 31 December 2021 (2020: 4.0%).

### **31. Research and development costs**

Research and development costs are recognised in the income statement for an amount of nil (2020: €729).

### **32. Events after balance sheet date**

In the fourth quarter of 2021, the Group sold its video related assets in Netherlands and Norway to a third party. As part of the transaction, a small number of employees transferred to the third party as well. The deal closed successfully on 8 February 2022, causing the recognition of the assets disposal in 2022.



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*Company financial statements*



### Balance sheet at 31 December 2020

(Before appropriation of result)

Assets	Note	31 December 2021		31 December 2020	
		€'000	€'000	€'000	€'000
<b>Financial fixed assets</b>	34.		15,132		39,695
<b>Current assets</b>	35.		<u>77</u>		<u>116</u>
			<b>15,209</b>		<b>39,811</b>
<b>Equity</b>	36.				
Share capital	36.1.		29		29
Share premium	36.1.		45,326		45,326
Currency translation reserve	36.3.		1,524		475
Other legal reserves	36.4.		624		1,017
Other reserves	36.5.		(9,477)		169
Retained earnings	36.6.		(10,296)		(11,852)
Result for the period	36.7.		(12,730)		1,556
			<b>15,000</b>		<b>36,720</b>
<b>Provisions</b>	37.		-		-
<b>Non-current liabilities</b>	38.		-		2,939
<b>Current liabilities</b>	39.		<u>209</u>		<u>152</u>
			<b>15,209</b>		<b>39,811</b>



*Income statement for the year ending- 31 December 2021*

	<i>2021</i>	<i>2020</i>
	€'000	€'000
Share of result of participations	(12,672)	1,587
Other income and expenses after tax	(58)	(31)
<b><i>Result after taxation</i></b>	<b>(12,730)</b>	<b>1,556</b>



## *Notes to the company balance sheet and income statement*

### *33. General note*

#### *33.1. General*

The Company financial statements have been prepared in accordance with the statutory provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards as issued by the Dutch Accounting Standards Board.

The accounting policies for the Company financial statements and the consolidated financial statements are the same. Group companies are stated at net asset value in accordance with note 3.3.1 to the consolidated financial statements.

For the accounting policies of the Company's balance sheet and income statement, reference is made to the notes to the consolidated balance sheet and income statement.



### 34. Financial fixed assets

Movements in financial assets can be broken down as follows:

	<i>Participations</i>	<i>Loans to participations</i>	<i>Total</i>
	€'000	€'000	€'000
<b>Balance as at 1 January 2021</b>	36,756	2,939	39,695
Result for the period	(12,672)	-	(12,672)
Dividend	(10,000)	-	(10,000)
Paid-in kind interest	-	74	74
Repayments	-	(3,013)	(3,013)
Currency translation effect	1,048	-	1,048
<b>Balance as at 31 December 2021</b>	<b>15,132</b>	<b>-</b>	<b>15,132</b>

	<i>Participations</i>	<i>Loans to participations</i>	<i>Total</i>
	€'000	€'000	€'000
<b>Balance as at 1 January 2020</b>	10,444	2,772	13,216
Revaluation net asset value participations current year	1,587	-	1,587
Result from participations	(1,471)	-	(1,471)
Addition/(repayment)	26,196	-	26,196
Currency translation effect	-	167	167
<b>Balance as at 31 December 2020</b>	<b>36,756</b>	<b>2,939</b>	<b>39,695</b>

VCV Nordics AS, one of the subsidiaries of the indirect participation Kinly Holding B.V. has a negative equity and is valued not lower than nil. The cumulative losses not recognised in the value of the participation amount to €14,497 (2020: €14,554).

Kinly Inc., one of the subsidiaries of the indirect participation Kinly Holding B.V. had a negative equity per 31 December 2020 (positive equity per 31 December 2021) and was valued not lower than nil. The cumulative losses not recognised in the value of the participation amounted to €268 per 31 December 2020.

Our Connecting Visions BVBA, one of the subsidiaries of the indirect participation Kinly Netherlands B.V. had a negative equity per 31 December 2020 (positive equity per 31 December 2021) and was valued not lower than nil. The cumulative losses not recognised in the value of the participation amount to €156 per 31 December 2020.

**Participations:**

The Company holds 100% of the issued share capital of Kinly Tree Holding B.V, Amsterdam, the Netherlands.



## Loans to participations:

The Company has issued a subordinated shareholder loan to Kinly Holding B.V. of € 1,700 on 23 November 2018. This shareholder loan bears paid-in kind interest at 6% per annum which will be accrued. In 2019 as a result of the payment of the earn-out to the former shareholders of MK2, Kinly Top Holding lent an additional €900 to Kinly Holding B.V. under the same conditions as the initial loan. On the anniversary of the loan the interest was capitalized with the loan and started bearing interest as well. The loan has a term of six years. At 31 December 2020 the amount outstanding under this loan agreement was €2,939.

In May 2021, the loan was repaid in full by Kinly Holding B.V. In turn, the Company repaid the loan to the former MK2 shareholders.

## 35. Current assets

Current assets relate to receivables on Kinly Holding B.V. The fair value of the accounts receivable approximates the carrying amount, given the current character of the receivables. The remaining term of the current receivables is less than one year.

## 36. Equity

	Share capital (36.1)	Share premium (36.1)	Currency translation reserve (36.3)	Other legal reserves (36.4)	Other reserves (36.5)	Retained earnings (36.6)	Result for the period (36.7)	Total
(x 1,000)	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Balance at 1 January 2021</b>	29	45,326	475	1,017	169	(11,852)	1,556	36,720
<b>Movements</b>								
Shares issued	-	-	-	-	-	-	-	-
Appropriation of result last book year	-	-	-	-	-	1,556	(1,556)	-
Result for financial year	-	-	-	-	-	-	(12,730)	(12,730)
Dividend paid	-	-	-	-	(10,039)	-	-	(10,039)
Legal reserve	-	-	-	(393)	393	-	-	-
Currency translation	-	-	1,049	-	-	-	-	1,049
<b>Balance at 31 December 2021</b>	29	45,326	1,524	624	(9,477)	(10,296)	(12,730)	15,000



	<i>Share capital</i> (36.1)	<i>Share premium</i> (36.1)	<i>Revaluation reserve</i> (36.2)	<i>Currency translation reserve</i> (36.3)	<i>Other legal reserves</i> (36.4)	<i>Other reserves</i> (36.5)	<i>Retained earnings</i> (36.6)	<i>Result for the period</i> (36.7)	<i>Total</i>
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Balance at 1 January 2020</b>	20	20,503	1,231	443	1,201	(1,201)	(7,682)	(4,170)	10,345
<b>Movements</b>									
Shares issued	9	24,823	-	-	-	-	-	-	24,832
Appropriation of result last book year	-	-	-	-	-	-	(4,170)	4,170	-
Result for financial year	-	-	-	-	-	-	-	1,556	1,556
Other movements	-	-	(1,231)	32	(184)	1,370	-	-	(13)
<b>Balance at 31 December 2020</b>	<b>29</b>	<b>45,326</b>	<b>-</b>	<b>475</b>	<b>1,017</b>	<b>169</b>	<b>(11,852)</b>	<b>1,556</b>	<b>36,720</b>

The equity value of the Company deviates from the group equity and result as subsidiaries with a negative shareholders' equity are valued at nil as the Company is not liable for any liabilities at the level of the respective subsidiaries.

The reconciliation between consolidated equity and result and the company equity and result can be specified as follows for the book year 2021:

	<i>Equity</i>	<i>Result</i>
	€'000	€'000
Consolidated	204	(12,533)
Impact subsidiaries not valued lower than nihil beginning of book year	14,978	-
Change in equity value subsidiaries with negative equity in book year	(182)	(197)
<b>Company only</b>	<b>15,000</b>	<b>(12,730)</b>

The reconciliation between consolidated equity and result and the company equity and result can be specified as follows for the book year 2020:

	<i>Equity</i>	<i>Result</i>
	€'000	€'000
Consolidated	21,742	(13,397)
Impact subsidiaries not valued lower than nihil beginning of book year	469	-
Change in equity value subsidiaries with negative equity in book year	14,509	14,953
<b>Company only</b>	<b>36,720</b>	<b>1,556</b>



### 36.1. Share capital and share premium

The authorised share capital of the Company consists of ordinary shares with a nominal value of €0.01 each and preferred shares with a nominal value of €0.01 each. At the incorporation of the Company an amount of €20,503 has been paid as share premium by the equity holders. Upon the issuance of new shares during 2020 an additional share premium has been recognized of €24,823. During 2021, the Company issued 29,534 shares and bought back (and subsequently cancelled) 28,002 shares in separate transactions. The buyback of shares transactions resulted in a dividend of €39.

Issued share capital amounts to €29 (2020: €29) and consists of 1,462,695 (2020: 1,461,929) ordinary shares and 1,462,695 (2020: 1,461,929) preferred shares. All shares are fully paid-up.

### 36.2. Revaluation reserve

The revaluation reserve is recognised in connection for participations with an increase in net asset value, which is not a free disposal of the shareholder. As all subsidiaries are 100% owned (in)directly by the Company, the reserve was released in 2020

	2021	2020
	€'000	€'000
Balance as at beginning of period	-	1,231
Release	-	(1,231)
Balance as at end period	-	-

### 36.3. Currency translation reserve

The currency translation reserve is recognised in connection with participations denominated in foreign currencies.

	2021	2020
	€'000	€'000
Balance as at beginning of period	475	443
Change for the period	1,049	32
Balance as at end period	1,524	475

### 36.4. Other legal reserves

The reserves are recognised in connection with the capitalized development costs and statutory legal reserves

	2021	2020
	€'000	€'000
Balance as at beginning of period	1,017	1,201
(Decrease) / addition	(393)	(184)
Balance as at end period	624	1,017



### 36.5. Other reserves

The other reserves reflect the impact of the legal reserves on distributable reserves and should be seen in combination with the reserves of retained earnings. In May 2021 the Company declared and paid a dividend of €10,000 to its shareholders. The buyback (and subsequent cancellation) of shares during the year resulted in a €39 dividend.

	2021	2020
	€'000	€'000
Balance as at beginning of period	169	(1,201)
Addition from "revaluation reserves"	-	1,370
Addition from "other legal reserves"	393	-
Dividend paid	(10,039)	-
Balance as at end period	(9,477)	169

### 36.6. Retained earnings

	2021	2020
	€'000	€'000
Balance as at beginning of period	(11,852)	(7,682)
Addition	1,556	(4,170)
Balance as at end period	(10,296)	(11,852)

### 36.7. Result for the period

The board of directors proposes to add the result for the period to Other Reserves. The financial statements do not yet reflect this proposal.



## **37. Non-current liabilities**

Non-current liabilities relate to the loan granted by former MK2 Groep B.V. shareholders during 2018 and 2019 as described in note 15. The loan was repaid in full during the year 2021.

## **38. Current liabilities**

Current liabilities relate to payables to group companies of €209 (2020: €152) and other liabilities in 2020 of €47. Current liabilities have a remaining term to maturity of less than one year. The fair value of current liabilities approximates the carrying amount, because of their short-term character. No interest is charged on the payables to group companies.

## **39. Contingent liabilities**

### *Fiscal unity*

For corporate income tax purposes, the Company, Kinly Tree Holding B.V., Kinly Holding B.V. and Kinly Benelux B.V. form a fiscal unity. Pursuant to the Dutch Corporate Income Tax Act, the Company and its subsidiaries are both severally and jointly liable for the tax payable by the combination.

In the financial statements of subsidiaries, tax expenses are calculated on the basis of the commercial result realised by these subsidiaries. The Company, and included subsidiaries settle these expenses through their intercompany (current) accounts.

## **40. Average number of employees**

During 2021 and at the end of the reporting period no (2020: nil) employees were employed by the Company.

## **41. Audit fees**

For more detailed information about the audit fees, reference is made to note 27 in the consolidated financial statements.

## **42. Board of directors**

On 22 December 2021, Mr. T. Martin was appointed to the board of directors, Mr. R. P. Bakker resigned on the same date.

## **43. Events after balance sheet date**

For the disclosure of the events after balance sheet date reference is made to note 32 in the consolidated financial statements.




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## Signing of the financial statements

Amsterdam, 30 June 2022,

Board of directors,

  
T. M. M. Martin  
CEO

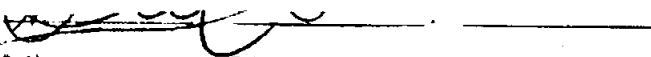
  
G. Wap  
CFO

  
Board of supervisory directors,

  
S. P. Zandhuis  
Chairman

  
R. Alves  
Member

  
T. Rinsema  
Member

  
M. W. G. Verhoog  
Member



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*Other information*



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## ***Other information***

### ***Independent auditors' report***

Reference is made to the auditors' report as included hereinafter.

### ***Articles of association governing profit appropriation***

Article 17 of the articles of association states the following regarding profit appropriation:

The articles of association show that the annual profit accrued in a financial year is at the free disposal of the general meeting.



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*Independent auditors' report*



**mazars**

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1007 JG Amsterdam  
The Netherlands  
T: +31 88 277 23 14  
ron.horsmans@mazars.nl

## Independent auditor's report

To the shareholders and board of directors of Kinly Top Holding B.V.

### Report on the audit of the financial statements 2021 included in the annual report

#### Our opinion

We have audited the financial statements 2021 of Kinly Top Holding B.V., based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Kinly Top Holding B.V. as at 31 December 2021, and of its result for 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise.

1. the consolidated and company balance sheet as at 31 December 2021;
2. the consolidated and company profit and loss account for 2021; and
3. the notes comprising a summary of the accounting policies and other explanatory information

#### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Kinly Top Holding B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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### **Report on the other information included in the annual report**

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the directors report;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board of directors are responsible for the preparation of the other information, including the directors report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

### **Description of responsibilities regarding the financial statements**

#### **Responsibilities of the board of directors and the supervisory board for the financial statements**

The board of directors are responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Furthermore, board of directors are responsible for such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors are responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of directors should prepare the financial statements using the going concern basis of accounting unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The board of directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.



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### **Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- obtaining 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;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- concluding on the appropriateness of the board of directors use of the going concern basis of accounting, 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 a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the supervisory board, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Amsterdam, 30 June 2022

Mazars Accountants N.V

Original was signed by drs R C H.M. Horsmans RA



Vår dato 01.10.2018	Din dato 21.08.2018	Saksbehandler Jeanette Munkvold Skovholt
800 80 000 Skatteetaten.no	Din referanse Roger Weibell	Telefon 90076012
Org.nr 996250318	Vår referanse 2018/1013995	Postadresse Postboks 9200 Grønland 0134 Oslo

VCV NORDICS AS  
Postboks 8026  
4068 STAVANGER

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 21. august 2018 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for:

- VCV Nordics AS org.nr. 919 422 335
- Viju AS org.nr. 991 245 073
- Kinly AS org.nr. 980 363 198

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering ovenstående selskap dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at det benyttes engelsk språk ved utarbeidelsen av årsregnskapet og årsberetningen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

### Bakgrunn

Fra søknaden gjengis:

*VCV Nordics AS (org.nr. 919 422 335) med datterselskaps virksomhet er eie aksjer, utvikle og selge informasjonsteknologi og audio visuelle samt videokonferanseløsninger i tillegg til å levere tjenester i tilknytning til dette, inkludert investering i andre selskaper med lignende aktiviteter.*

*Konsernets arbeidsspråk er engelsk. Konsernet opererer i sektorer, der engelsk er det klart dominerende språket. Morselskapets aksjonær er et utenlandsk selskap, og morselskapet henvender seg jevnlig til konsernledelsen og morselskapet som er lokalisert i Nederland. All kommunikasjon med konsernets primære kunder og kreditorer foregår på engelsk.*

*I lys av selskapets og konsernets situasjon, der selskapets eier kun behersker engelsk, all kommunikasjon med konsernets primære kunder og kreditorer skjer på engelsk, samt at engelsk er både arbeidsspråket til konsernet og bransjespråket der selskapet og konsernet opererer, fremstår kravet i regnskapsloven § 3-4 om utarbeidelse av årsregnskap og årsberetning på norsk som*



*unødvendig. I tillegg til at det er ressurskrevende, fører av og til tvil om oversettelse og uoverensstemmelser mellom engelsk og norsk versjon til unødvendige misforståelser.*

*Ettersom konsernets arbeidsspråk er engelsk vil alle ansatte forstå regnskapet og årsberetningen selv om disse dokumentene i fremtiden blir utarbeidet i sin endelige form på engelsk. Det samme vil være tilfelle for konsernets kunder og kreditorer. Ettersom engelsk også er bransjespråket innen sektorene vi opererer i, kan vi heller ikke se at andre, mer tilfeldige regnskapsbrukere skulle ha noe behov for at regnskapet utarbeides på norsk. Selskapet mener derfor at alle brukere av regnskapet i sum vil være tjent med at regnskapet kun utarbeides på engelsk.*

### **Skattedirektoratets vurdering**

Etter regnskapsloven § 3-4 tredje ledd skal årsregnskapet og årsberetningen være på norsk.

Departementet kan ved forskrift eller ved enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

*Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at konsernselskapene er heleid av et utenlandsk selskap. Eierkretsen er begrenset. Virksomheten er utpreget internasjonal og arbeidsspråket er engelsk.



Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Torstein Kinden Helleland  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Jeanette Munkvold Skovholt

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*