



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	919 422 335
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	KINLY HOLDING AS
Forretningsadresse:	Luramyrveien 79 4313 SANDNES

Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020
-------------------------	-------------------------

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 Weibell
Dato for fastsettelse av årsregnskapet:	12.05.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 19.07.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Kostnader			
Other operating expenses	1	431 249	83 168
Sum kostnader		431 249	83 168
Driftsresultat		-431 249	-83 168
Finansinntekter og finanskostnader			
Income from subsidiaries	2		
Income from other group companies	2	80 000 000	2 404 791
Annen renteinntekt		3 735	1 016
Other financial income	3	124 501	2 214 547
Sum finansinntekter		80 128 236	4 620 354
Annen rentekostnad		12 732 835	2 948 942
Other financial expenses	3	3 356 814	1 588 244
Sum finanskostnader		16 089 649	4 537 186
Netto finans		64 038 587	83 168
Ordinært resultat før skattekostnad		63 607 338	1
Tax on ordinary result	8		
Ordinært resultat etter skattekostnad		63 607 338	1
Årsresultat		63 607 338	1
Årsresultat etter minoritetsinteresser		63 607 338	1
Totalresultat		63 607 338	1
Overføringer og disponeringer			
Ordinært utbytte		44 948 783	
Allocated to other equity		18 658 555	1
Sum overføringer og disponeringer	6	63 607 338	1



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	8		
Finansielle anleggsmidler			
Investering i datterselskap	2	186 299 989	230 566 948
Investering i annet foretak i samme konsern	2		
Sum finansielle anleggsmidler		186 299 989	230 566 948
Sum anleggsmidler		186 299 989	230 566 948
Omløpsmidler			
Varer			
Fordringer			
Other short-term receivables	4	36 994 463	2 415 291
Sum fordringer		36 994 463	2 415 291
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	5	31 067 354	876 627
Sum bankinnskudd, kontanter og lignende		31 067 354	876 627
Sum omløpsmidler		68 061 817	3 291 918
SUM EIENDELER		254 361 806	233 858 866
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	6	990 000	990 000
Overkurs	6	8 515 750	143 869 500
Sum innskutt egenkapital		9 505 750	144 859 500



Balanse

Beløp i: NOK	Note	2020	2019
Opptjent egenkapital			
Udekket tap	6	-12 671 505	5 987 050
Sum opptjent egenkapital		12 671 505	-5 987 050
Sum egenkapital		22 177 255	138 872 450
Gjeld			
Langsiktig gjeld			
Utsatt skatt	8		
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	7		
Other long term liabilities	4, 7	222 290 779	94 986 416
Sum annen langsiktig gjeld		222 290 779	94 986 416
Sum langsiktig gjeld		222 290 779	94 986 416
Kortsiktig gjeld			
Tax payable	8		
Other current debt	4	9 893 772	
Sum kortsiktig gjeld		9 893 772	
Sum gjeld		232 184 551	94 986 416
SUM EGENKAPITAL OG GJELD		254 361 806	233 858 866



Financial report for the year 2020

Kinly Holding B.V.

Amsterdam



Contents

Directors' report	3
Financial statements	4
<i>Consolidated financial statements</i>	<i>5</i>
Consolidated balance sheet as at 31 December 2020	6
Consolidated income statement for the period ending 31 December 2020	7
Consolidated cash flow statement for the period ending 31 December 2020	8
Statement of total result of the Group for the period ended 31 December 2020	9
Notes to the consolidated balance sheet and income statement	10
<i>Company financial statements</i>	<i>39</i>
Balance sheet as at 31 December 2020	40
Income statement for the period ending 31 December 2020	41
Notes to the company balance sheet and income statement	42
Other information	55
Other information	56
Articles of association governing profit appropriation	56
Independent auditors' report	57



Directors' report

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



Financial statements



Consolidated financial statements



Consolidated balance sheet as at 31 December 2020

(Before appropriation of result)

Assets	Note	31 December 2020		31 December 2019	
		€'000	€'000	€'000	€'000
Fixed assets					
Intangible fixed assets	7.	84,503		22,685	
Tangible fixed assets	8.	3,723		3,475	
Financial fixed assets	9.	1,244		701	
			89,470		26,861
Current assets					
Inventories	10.	7,270		6,566	
Receivables	11.	68,885		49,161	
Cash at banks and in hand	12.	23,876		17,569	
			100,031		73,296
			189,501		100,157
Group equity					
Share of the legal entity in the group equity	13.		21,778		9,975
Provisions					
	14.		2,973		2,438
Non-current liabilities					
Debts to lending institutions	15.	53,023		16,343	
Debts to equity holders		2,939		2,772	
Financial lease obligations		55		71	
			56,017		19,186
Current liabilities					
Current borrowings	16.	11,093		8,620	
Other current liabilities	17.	97,640		59,938	
			108,733		68,558
			189,501		100,157



**Consolidated income statement for the period ending
31 December 2020**

		2020		2019	
	Note	€'000	€'000	€'000	€'000
Net turnover	19.		211,075		165,036
Cost of subcontracted work and other external charges	20.	(123,040)		(98,514)	
Wages and salaries		(52,445)		(37,931)	
Social security charges		(6,099)		(4,754)	
Pension contributions	21.	(553)		(456)	
Amortization of intangible fixed assets	24.	(12,982)		(5,776)	
Depreciation of tangible fixed assets	25.	(1,710)		(1,475)	
Other operating expenses	26.	(23,063)		(17,367)	
Total costs			(219,892)		(166,273)
Operating profit/(loss)			(8,817)		(1,237)
Net financial income / (expense)	27.		(4,589)		(1,087)
Result before tax			(13,406)		(2,324)
Tax on result	28.		39		(5)
Result after tax			(13,367)		(2,329)



**Consolidated cash flow statement for the period ending
31 December 2020**

	Note	2020		2019	
		€'000	€'000	€'000	€'000
Cash flow from operating activities					
Operating loss			(8,817)		(1,237)
Adjustments for:					
Depreciation, amortisation and other impairments	24-25	14,692		7,262	
Movement in provisions		449		(232)	
			15,141		7,030
Movements in working capital:					
Inventories		1,132		(2,523)	
Receivables		(11,092)		(1,754)	
Current liabilities		9,072		11,255	
			(888)		6,978
Cash generated from operations			5,436		12,771
Corporate income tax paid		(1,008)		(278)	
Interest paid		(6,395)		(1,087)	
			(7,403)		(1,365)
Net cash generated from operating activities			(1,967)		11,406
Cash flow from investment activities					
Acquisition of group companies, net of cash acquired	5	(55,513)		(2,244)	
Investments in intangible fixed assets	7	(1,068)		(764)	
Investments in tangible fixed assets	8	(863)		(1,806)	
Divestments in tangible fixed assets	8	-		10	
Net cash generated from investment activities			(57,444)		(4,804)
Cashflow from financing activities					
Equity contribution	37	26,283		-	
Dividend paid	15	(1,471)		-	
Proceeds from borrowings	15	55,300		1,946	
Repayments from borrowings	16	(19,196)		(600)	
US government loan	16	1,300		-	
Change in ancillary facility		4,080		-	
Net cash generated from financing activities			66,296		1,346
Net cashflow			6,885		7,948
Cash at the beginning of the year			17,569		9,445
Net cashflows			6,885		7,948
Exchange gains/(losses) on cash at banks			(578)		176
Cash at the end of the year			23,876		17,569



**Statement of total result of the Group for the period ended
31 December 2020**

	2020		2019	
	€'000	€'000	€'000	€'000
Consolidated net result after taxation		(13,367)		(2,329)
Currency translation differences in foreign subsidiaries	<u>293</u>		<u>181</u>	
Total of direct movements in Group equity		<u>293</u>		<u>181</u>
Total result of the Group		<u>(13,074)</u>		<u>(2,148)</u>



Notes to the consolidated balance sheet and income statement

1. General notes

1.1. Activities

The activities of Kinly Holding B.V. and its group companies, together with its (indirect) shareholder Kinly Top Holding B.V. and Kinly Tree Holding B.V (jointly and separately referred to as 'the Group' and/or '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 are the main 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 69381054.

1.3. Group structure

The Company holds (in)directly various subsidiaries. The financial statements of the Company are an integral part of the consolidated financial statements of the Company. The Company was established on 31 August 2017.

On 11 May 2020 Kinly Bidco Ltd was acquired by the Company. 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 Board confirms that the going-concern assumption is appropriate and that the financial statements have been prepared under this assumption.

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 taken into account.

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:

- Viju Nederland B.V., Amsterdam, the Netherlands (100%)
- Viju Sdn Bhd, Kuala Lumpur, Malaysia (100%)
- Kinly Inc., New Jersey, United States of America (100%)
- Kinly Pte Ltd, Singapore, Singapore (100%)
- VCV Nordics AS, Sandness, Norway (100%)
- MK 2 Groep B.V., Breda, the Netherlands (100%)
- Kinly Netherlands B.V. Amsterdam, the Netherlands (100%)
- Kinly Bidco Ltd., Sunbury-On-Thames, United Kingdom (100%)

Kinly Netherlands B.V.

- Visions Connected United Kingdom Ltd., United Kingdom (100%), in liquidation
- The Video Conference Bureau Ltd., United Kingdom (100%), in liquidation
- Visions Connected France S.a.r.l., Lille, France (100%), liquidated on 10 October 2019
- Visions Connected Luxembourg S.a.r.l., Luxembourg, Luxembourg (100%), liquidated on 27 May 2020
- Our Connecting Visions BVBA. Sint-Martens-Latem, Belgium (100%)
- Kinly Belux BVBA, Sint-Martens-Latem, Belgium (100%)
- Visions Connected Middle East Dubai FZ-LCC, Dubai Internet City, UAE (100%), liquidated on 28 March 2019

VCV Nordics AS

- Viju AS, Sandness, Norway (100%)
- The Video Conference Bureau Ltd., Brighton, United Kingdom (100%)
- Kinly AS, Sandness, Norway (100%)
- Kinly AB, Stockholm, Sweden (100%)
- Kinly Ltd, Livingston, United Kingdom (100%)

MK2 Groep B.V.

- MK2 Audiovisueel B.V., Breda, The Netherlands (100%)
- MK2 Audiovisueel Verhuur B.V., Breda, The Netherlands (100%)

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 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 taken into account 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, taking into account 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 taken into account in the allocation of the acquisition and these charges and losses can be measured reliably. If expected charges and losses have not been taken into account, 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 taken into account. 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 taken into account.



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 taken into account 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 taken into account.

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.

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

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, taking into account 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 if 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, taking into account 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 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).

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 dollars, UK 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 loans and receivables are concerned, The Company incurs risk regarding future cash flows. 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. *Operations*

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 is 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 they fall due. The strategy of The Company for managing liquidity risks is to have sufficient liquid assets at any time to meet 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&D</i>	<i>Customer relations</i>	<i>Order backlog</i>	<i>Technology & Other</i>	<i>Total</i>
	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2020						
Cost	16,663	2,565	15,800	2,800	600	38,428
Cumulative impairment losses and amortisation	(5,845)	(1,364)	(5,267)	(2,800)	(467)	(15,743)
Book value	10,818	1,201	10,533	-	133	22,685
Movements - Cost						
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)
Movements - Amortisation						
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)
Total movements	62,760	(201)	(823)	-	82	61,818
Balance at 31 December 2020						
Cost	86,921	3,081	17,443	-	235	107,680
Cumulative impairment losses and amortisation	(13,343)	(2,081)	(7,733)	-	(20)	(23,177)
Book value	73,578	1,000	9,710	-	215	84,503
<i>Amortisation period (years)</i>	7	3	7	1	5	

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&D</i>	<i>Customer relations</i>	<i>Order backlog</i>	<i>Technology & Other</i>	<i>Total</i>
	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2019						
Cost	16,641	1,823	15,800	2,800	600	37,664
Cumulative impairment losses and amortisation	(3,492)	(655)	(3,010)	(2,525)	(267)	(9,949)
Book value	13,149	1,168	12,790	275	333	27,715
Movements						
Investments	22	728	-	-	-	750
Amortisation	(2,353)	(709)	(2,257)	(275)	(200)	(5,794)
Impairment	-	(18)	-	-	-	(18)
Currency translation	-	32	-	-	-	32
Total movements	(2,331)	33	(2,257)	(275)	(200)	(5,030)
Balance at 31 December 2019						
Cost	16,663	2,565	15,800	2,800	600	38,428
Cumulative impairment losses and amortisation	(5,845)	(1,364)	(5,267)	(2,800)	(467)	(15,743)
Book value	10,818	1,201	10,533	-	133	22,685
Amortisation period (years)	7	3	7	1	5	



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
Balance at 1 January 2020					
Cost	1,400	183	4,221	7,351	13,155
Cumulative impairment losses and amortisation	(723)	(37)	(2,919)	(6,001)	(9,680)
Book value	677	146	1,302	1,350	3,475
Acquired	141	109	523	516	1,289
Investments	90	20	428	325	863
Amortisation	(149)	(63)	(498)	(1,000)	(1,710)
Currency translation	(330)	(3)	(235)	374	(194)
Total movements	(248)	63	218	215	248
Balance at 31 December 2020					
Cost	964	341	5,767	8,413	15,485
Cumulative impairment losses and amortisation	(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	

The carrying amounts of assets under financial leasing, which are held without legal title by the Group amount to €55 (2019: €198).



	<i>Land and buildings</i>	<i>Cars and vehicles</i>	<i>Furniture and fixtures</i>	<i>Other fixed assets</i>	<i>Total</i>
(x 1.000)	€'000	€'000	€'000	€'000	€'000
Balance as at 1 January 2019					
Cost	1,137	179	4,142	7,499	12,958
Cumulative impairments and depreciation	(633)	(44)	(3,211)	(5,936)	(9,825)
Book value	504	135	931	1,563	3,133
Movements					
Additions	400	36	717	659	1,812
Disposals	(137)	(32)	(638)	(807)	(1,614)
Depreciation	(242)	(25)	(375)	(843)	(1,485)
Depreciation on disposals	137	32	638	799	1,606
Currency translation	16	-	29	(21)	23
Total movements	173	11	371	(213)	342
Balance as at 31 December 2019					
Cost	1,400	183	4,221	7,351	13,155
Cum. impairments and depreciation	(723)	(37)	(2,919)	(6,001)	(9,680)
Book value	677	146	1,302	1,350	3,475
<i>Depreciation period (years)</i>	<i>5-10</i>	<i>3-7</i>	<i>3-5</i>	<i>3-5</i>	

Certain reclassifications have been made to the 2019 figures reflecting reclassifications between cost and cumulative impairments and depreciation. The reclassifications have no impact on the book value in total nor on the book value per category.



9. Financial fixed assets

Financial fixed assets can be specified as follows:

	<i>Deferred tax assets</i>	<i>Deposits</i>	<i>Total 2020</i>	<i>Deferred tax assets</i>	<i>Total 2019</i>
	€'000	€'000	€'000	€'000	€'000
<i>Balance at 1 January</i>	701	-	701	699	699
Acquired	28	-	28	-	-
Additions	517	23	540	276	276
Utilization	-	-	-	(294)	(294)
Currency translation	(25)	-	(25)	20	20
<i>Balance as at 31 December</i>	<u>1,221</u>	<u>23</u>	<u>1,244</u>	<u>701</u>	<u>701</u>

Deferred tax assets related to deductible temporary differences of €125 (2019: €445) and deductible losses carried forward of €1,096 (2019: €256). The deductible losses carried forward are expected to be offset against future profits in the coming years. Deferred tax assets of €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 €7,270 (2019: €6,566) and relate to third party produced products available for resale. Inventories are net of a provision for obsolescence of €799 (2019: €734). In 2020 nil (2019 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>31-12-2020</u>	<u>31-12-2019</u>
	€'000	€'000
Trade debtors	40,857	35,139
Accrued income	11,639	3,658
Prepaid expenses	13,068	7,793
Valued added tax	6	1,095
Corporate income tax	1,154	508
Receivables on directors and shareholders	346	192
Other receivables	1,815	776
	<u>68,885</u>	<u>49,161</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 €539 (2019: €504).

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

Prepaid expenses relate to projects in progress and service contracts at year-end. Related expenses are recognized as costs within one year.

Receivables on directors and shareholders accrue interest of 4% per annum (2019: nil). 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:

	<i>Deferred tax liabilities</i>		<i>Total 2020</i>	<i>Deferred tax liabilities</i>	
	<i>Dilapidation</i>				<i>Total 2019</i>
	€'000	€'000	€'000	€'000	€'000
Balance at 1 January	2,438	-	2,438	3,598	3,598
Acquired	309	-	309	-	-
Additions	144	449	593	-	-
Release	(369)	-	(369)	(1,124)	(1,124)
Currency translation effect	2	-	2	(36)	(36)
Balance at 31 December 2020	2,524	449	2,973	2,438	2,438

An amount of €2,155 (2019: €1,900) 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 Company is required to bring the property back in its original state.

15. Non-current liabilities

	<i>Debts to lending institutions I</i>	<i>Debts to lending institutions II</i>	<i>Debts to related parties</i>	<i>Financial lease obligations</i>	<i>Total</i>
	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2020	16,343	-	2,772	71	19,186
Movements					
Additions	-	52,638	-	-	52,638
Repayments	(16,343)	-	-	(16)	(16,359)
Fee amortisation	-	222	-	-	222
Interest in-kind	-	586	167	-	753
Currency translation	-	(423)	-	-	(423)
Total movements	(16,343)	53,023	167	(16)	36,831
Balance at 31 December 2020	-	53,023	2,939	55	56,017
Due within one year	€0 (2019: €2,853)	€0 (2019: €0)	€2,939 (2019: €0)	€22 (2019: €54)	€2,961 (2019: €2,907)



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

Debts to lending institutions are denominated in euros, except loans of £8,955 (€10,300) and related paid in-kind interest of £81 (€90) which are translated at year-end rates.

Debts to lending institutions I

All amounts due under the Senior Facility Agreement were fully repaid as part of the refinancing of the Company following to the acquisition of AVMI Group Ltd. on 28 May 2020.

Debts to lending institutions II

Following to the acquisition of AVMI Group Ltd. on 28 May 2020, the Company refinanced its existing credit facility, with a Senior Facility with funds advised by the third finance provider, under which it 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 27 May 2027.

Loans are initially net of finance fees of €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.

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 the anniversary of the loan the interest will be capitalized with the loan and start bearing interest as well.

On 31 May 2021 the loan and capitalized interest were repaid in full. The repayment was funded with an additional facility through a third finance provider.

Financial lease obligations

Financial lease obligations mature within one year to the extent of €22 (2019: €54) 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*

	<u>31-12-2020</u>	<u>31-12-2019</u>
	€'000	€'000
Debts to lending institutions	9,793	5,713
US forgiveness loan	1,300	-
Repayment obligation on loans	-	2,853
Financial lease obligations	-	54
	<u>11,093</u>	<u>8,620</u>



Debts to lending institutions I

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 is subject to 1% interest.

Repayment obligations on loans

In 2019 the current borrowings include the repayment obligation on the ancillary facility and current portion of the Senior Facility Agreement with a principal Dutch bank for the next 12 months. The ancillary facility due under the Senior Facility Agreement was fully repaid as part of the refinancing of the Group due to the acquisition of AVMI Group Ltd. at 28 May 2020.

Financial lease obligations

Financial lease obligations due within 12 months are included under non-current liabilities in 2020.

17. Other current liabilities

Other current liabilities can be specified as follows:

	<u>31-12-2020</u>	<u>31-12-2019</u>
	€'000	€'000
Trade creditors	28,216	16,779
Payables to shareholder	-	127
Payables to related parties	-	94
Deferred income	40,425	17,608
Accruals	16,497	11,557
Value added tax	7,204	6,104
Wage tax and social security charges	2,486	1,680
Pension	144	38
Corporate income tax	965	1,013
Other payables	1,703	4,938
	<u>97,640</u>	<u>59,938</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 relate to projects, 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 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. 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 2020 €9,775 was drawn under the ancillary facility. The interest during 2020 was 2.75%.

The Company together with its shareholder Kinly Tree Holding B.V., and the majority of Kinly Tree Holding B.V.'s other main 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 €700 per 31 December 2020 (2019: €700). At year-end 2020 the overdraft was not used (2019: nil). Pledges on tangible fixed assets, trade debtors and inventories serve as security. The debit interest is NIBOR 3M+2.4% and amounted to 2.64% in 2020 (2019: 5.18%) on average and the credit interest amounts to NIBOR 3M-0.25% or 0.1% on average in 2020 (2019: 1.62%).

18.2. *Conditional assets and obligations*

In 2020 the Company has provided bank guarantees for respectively €107 and NOK9,200 (2019: €107) 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:

	31-12-2020	31-12-2019
	€'000	€'000
Within one year	2,701	2,426
Between one and five years	2,791	5,178
After five years	-	68
	<hr/> 5,492	<hr/> 7,672

During the financial period an amount of €2,426 (2019: €2,500) was recognised in the income statement with respect to operating lease payments.



The Group has no sub-lease agreements for buildings in place at 31 December 2020, while 2109 can be specified as follows:

	31-12-2020	31-12-2019
	€'000	€'000
Amounts to be received:		
Within one year	-	224
Between one and five years	-	202
After five years	-	0
	-	426
	-	-

18.4. Fiscal unities

Netherlands

For Dutch corporate income tax purposes, the Company is part of a fiscal unity since January 1, 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 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.



Notes to the consolidated income statement

19. Net turnover

The breakdown of revenue by region is as follows:

	2020	2019
	€'000	€'000
The Netherlands	53,322	45,504
Other EU countries	57,115	21,417
Other European countries	60,905	56,018
Other countries	39,733	42,097
	<u>211,075</u>	<u>165,036</u>

The breakdown of revenue by category is as follows:

	2020	2019
	€'000	€'000
Hardware and software	109,886	90,923
Professional services	35,979	32,497
Service contracts	33,485	25,906
Cloud	18,847	13,675
Rental and other	12,878	2,035
	<u>211,075</u>	<u>165,036</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

As at year-end 2020, there are no obligations for which a pension provision has been included. The 2020 pension contribution charged to the profit and loss account amounts to €553 (2019: €456). The Group has pension plans for the majority of its personnel. No pension plan exists for US employees. The main characteristics of these 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. Remuneration Board of Directors

The Board of Directors of the Company consists of 2 members (2019: 2). The following remuneration was received by the board of directors.

	2020	2019
	€'000	€'000
Wages and salaries	518	582
Social security charges	19	19
Pension contributions	10	4
Other employee costs	1	5
	<u>548</u>	<u>610</u>

23. Number of employees

Per 31 December 2020 1,054 (2019: 576) employees were employed on a full-time basis, of which, 846 (2019: 352) outside the Netherlands. Average number of employees were as follows:

	2020	2019
	€'000	€'000
Sales	135	125
Support	570	346
Other	97	79
	<u>802</u>	<u>550</u>

24. Amortization of intangible fixed assets

	2020	2019
	€'000	€'000
Amortisation of intangible fixed assets	12,982	5,794
Impairment of acquired goodwill	-	(18)
	<u>12,982</u>	<u>5,776</u>



25. Depreciation of tangible fixed assets

	2020	2019
	€'000	€'000
Depreciation of tangible fixed assets	1,710	1,485
Other results on tangible fixed assets	-	(10)
	1,710	1,475

26. Other operating expenses

	2020	2019
	€'000	€'000
Other personnel expenses	6,499	4,241
Housing expenses	3,126	2,160
Selling expenses	636	1,018
Car expenses	856	1,048
Office expenses	3,664	3,095
General expenses	8,282	5,805
	23,063	17,367

Government subsidies

The Company has recognised a government subsidy with regard to research and development ('WBSO') in The Netherlands for the amount of €48 (2019: €100). In the UK the Company, received government furlough contributions of €1,855 (2019: nil) in light of COVID-19 UK measures. In Norway, the Company received €113 (2019: nil) 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:

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



2019	Mazars	Other Mazars	Total fees
	Accountants	network	
	€'000	€'000	€'000
Audit of the financial statements	427	88	515
Other audit services	50	-	50
Tax services	-	51	51
Other non-audit services	-	156	156
	477	295	772

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 €467 (2019: €433). The audit fees relate to the audit of the financial statements for year ended 31 December 2020, 2019, respectively

27. Financial income and expense

	2020	2019
	€'000	€'000
Interest and similar income	46	-
Interest and similar expenses	(3,333)	(1,039)
Interest and similar income related parties	6	-
Interest and similar expenses related parties	(167)	-
Other financial income and expense	(508)	-
Exchange differences	(633)	(48)
	(4,589)	(1,087)

An amount of €498 is capitalised as interest expenses with respect to third party loans, while a net amount of €161 is capitalised with respect to the loans from and to related parties.

28. Tax on result

The tax on the result can be specified as follows:

	2020	2019
	€'000	€'000
Result before tax	(13,406)	(2,324)
Deferred corporate income tax	394	456
Corporate income tax current financial year	(355)	(461)
Tax on result (charge)/income	39	(5)
Effective tax rate	(0.3)%	(0.2)%
Applicable tax rate	22.4%	25.5%

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.

	<i>2020</i>
	€'000
Profit / (loss) according to financial statements	(13,406)
<i>Net tax impact:</i>	
CIT based on applicable rate in The Netherlands – (charge)/ income	3,351
Amortization of goodwill – not deductible in respective countries	(2,451)
Rate differences	(617)
CFL not recognized	(81)
Carry back	149
Permanent differences	(784)
Additional CFL recognized	183
Other	289
Tax on result (charge)/income	39



Notes to the consolidated Cash flow statement

Due to the long-term character the net movement in the deferred tax assets and liabilities is presented in a separate line in the cash flow statement named 'movement in provisions'.

Other notes

29. 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 22 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 4.0% of the outstanding shares of The Company at 31 December 2020.

30. Research and development costs

Research and development costs is recognised in the income statement for an amount of €729 (2019: €800).

31. Events after balance sheet date

On 10 May 2021 the Company obtained an additional facility from A third party finance provider, generally at the same conditions as the existing term loans with the third-party finance provider. Furthermore, on 25 May 2021, the Company paid a dividend amounting to €10,000 to its shareholders. In addition, on 31 May 2021 the Company has repaid the loan from the former MK2 shareholders, as classified under related party liabilities in note 15, amounting to €3,013 (including capitalized interest) on the repayment date.

The Company initiated various mergers within the group between indirectly held subsidiaries to simplify the legal structure in 2021.



Company financial statements



Balance sheet at 31 December 2020

(Before appropriation of result)

Assets	Note	31 December 2020		31 December 2019	
		€'000	€'000	€'000	€'000
Fixed assets					
Intangible fixed assets	33.	17,363		21,458	
Tangible fixed assets	34.	354		412	
Financial fixed assets	35	84,025		17,566	
			101,742		39,436
Current assets					
Current receivables	36.	12,102		6,250	
Cash at banks and in hand	37.	151		80	
			12,253		6,330
			113,995		45,766
Liabilities					
Equity	38.				
Share capital	38.1.	-		-	
Share premium	38.1.	46,807		20,523	
Revaluation reserve	38.2.	-		1,231	
Currency translation reserve	38.3.	474		443	
Other legal reserves	38.4.	1,017		1,201	
Other reserves	38.5.	(1,308)		(1,201)	
Retained earnings	38.6.	(11,753)		(7,662)	
Result for the period	38.7.	1,519		(4,091)	
			36,756		10,444
Provisions	39.		2,137		2,438
Non-current liabilities	40.		57,824		19,115
Current liabilities	41.		17,278		13,769
			113,995		45,766



Income statement for the period 1 January 2020- 31 December 2020

	<i>2020</i>	<i>2019</i>
	€'000	€'000
Share of result of participations	8,481	393
Other income and expenses after tax	(6,962)	(4,484)
<i>Result after taxation</i>	1,519	(4,091)



Notes to the company balance sheet and income statement

32. General note

32.1. 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.



33. Intangible fixed assets

	<i>Goodwill</i>	<i>Order backlog</i>	<i>Customer base</i>	<i>Development</i>	<i>Technology</i>	<i>Total</i>
	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2020						
Historical costs	15,314	2,800	15,800	-	600	34,514
Cumulative impairment losses and amortisation	(4,522)	(2,800)	(5,267)	-	(467)	(13,056)
Book value	10,792	0	10,533	-	133	21,458
Movements						
Investments	-	-	-	273	212	485
Retired	-	-	-	-	-	-
Amortisation	(2,190)	-	(2,257)	-	(133)	(4,580)
Balance	(2,190)	-	(2,257)	273	79	4,095
Balance as at 31 December 2020						
Cost or production cost	15,311	-	15,800	273	212	31,596
Cumulative impairment and amortisation	(6,709)	-	(7,524)	-	-	(14,233)
Book value	8,602	-	8,276	273	212	17,363
<i>Amortisation period (years)</i>	<i>7</i>	<i>1</i>	<i>7</i>	<i>3</i>	<i>5</i>	



	<i>Goodwill</i>	<i>Order backlog</i>	<i>Customer base</i>	<i>Technology</i>	<i>Total</i>
	€'000	€'000	€'000	€'000	€'000
Balance as at 1 January 2019					
Historical costs	15,314	2,800	15,800	600	34,514
Cumulative impairment losses and amortisation	(2,334)	(2,525)	(3,010)	(267)	(8,136)
Book value	12,980	275	12,790	333	26,378
Movements					
Investments	-	-	-	-	-
Amortisation of intangible fixed assets	(2,188)	(275)	(2,257)	(200)	(4,920)
Balance	(2,188)	(275)	(2,257)	(200)	(4,920)
Balance as at 31 December 2019					
Cost or production cost	15,314	2,800	15,800	600	34,514
Cumulative impairment and amortisation	(4,522)	(2,800)	(5,267)	(467)	(13,056)
Book value	10,792	-	10,533	133	21,458
Amortisation period (years)	7	1	7	5	



34. Tangible fixed assets

	<i>Land and buildings</i>	<i>Furniture and fixtures</i>	<i>Total</i>
	€'000	€'000	€'000
Balance as at 1 January 2020			
Cost	275	140	415
Cumulative impairments and depreciation	-	(3)	(3)
Book value	275	137	412
Movements			
Additions	-	14	14
Depreciation	(55)	(17)	(72)
Total movements	(55)	(3)	(58)
Balance as at 31 December 2020			
Cost	275	154	429
Cum. impairments and depreciation	(55)	(20)	(75)
Book value	220	134	354
Depreciation period (years)	5	5	
Balance as at 1 January 2019			
Cost	-	-	-
Cumulative impairments and depreciation	-	-	-
Book value	-	-	-
Movements			
Additions	275	135	410
Depreciation	-	(2)	(2)
Total movements	275	133	408
Balance as at 31 December 2019			
Cost	275	140	415
Cum. impairments and depreciation	-	(3)	(3)
Book value	275	137	412
Depreciation period (years)	5	5	



35. 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
Balance as at 1 January 2020	8,821	8,745	17,566
Result from participations	8,376	-	8,376
Dividend from participations	(7,056)	-	(7,056)
Additions / (repayments)	40,047	37,487	78,165
Equity to debt conversion	(12,500)	-	(12,500)
Release	-	-	(53)
Currency translation effect	105	-	105
Balance as at 31 December 2019	37,793	46,232	84,603

	<i>Participations</i>	<i>Loans to participations</i>	<i>Total</i>
	€'000	€'000	€'000
Balance as at 1 January 2019	7,539	9,990	17,529
Revaluation net asset value participations current year	536	-	536
Result from participations	393	-	393
Addition/(repayment)	-	(1,245)	(1,245)
Equity adjustments prior years	172	-	172
Currency translation effect	181	-	181
Balance as at 31 December 2019	8,821	8,745	17,566

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 €14,554 (2019: €468).

Kinly Inc., 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 €268 (2019: n/a).

Our Connecting Visions BVBA, one of the subsidiaries of the indirect participation Kinly Netherlands 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 €156 (2019: €0).

The cumulative loss difference between both years has a negative impact of €14,886 (2019: €1,762 profit) in the income statement.



Participations:

The Company holds 100% of the issued share capital of:

- Kinly Bidco Ltd, Surrey, United Kingdom
- Kinly Inc., New Jersey, United States of America
- Kinly Netherlands B.V. Amsterdam, the Netherlands
- Kinly Pte Ltd, Singapore, Singapore
- MK 2 Groep B.V., Breda, the Netherlands
- Viju Nederland B.V., Amsterdam, the Netherlands
- Viju Sdn Bhd, Kuala Lumpur, Malaysia
- VCV Nordics AS, Sandness, Norway

Loans to participations:

The Company has issued loans to Kinly Bidco Ltd and VCV Nordics AS on 28 May 2020. These loans bear interest of 8.5%-8.65% per annum. The loans have terms of seven years.

36. Current receivables

	<u>31-12-2020</u>	<u>31-12-2019</u>
	€'000	€'000
Receivables from participations and participating interests	10,082	4,487
Receivables from shareholder	243	179
Taxes and social security contributions	1,150	1,232
Prepaid expenses and other receivables	627	352
	<u>12,102</u>	<u>6,250</u>

37. Cash at banks and in hand

Cash at banks and in hand do not include any deposits, all of the cash of the Company's is at its free disposal.



38. Equity

	<i>Share capital</i> (37.1)	<i>Share premium</i> (37.1)	<i>Revaluation reserve</i> (37.2)	<i>Currency translation reserve</i> (37.3)	<i>Other legal reserves</i> (37.4)	<i>Other reserves</i> (37.5)	<i>Retained earnings</i> (37.6)	<i>Result for the period</i> (37.7)	Total
(x 1,000)	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2020	-	20,523	1,231	443	1,201	(1,201)	(7,662)	(4,091)	10,444
Movements									
Shares issued	-	26,284	-	-	-	-	-	-	26,284
Appropriation of result last book year	-	-	-	-	-	-	(4,091)	4,091	-
Result for financial year	-	-	-	-	-	-	-	1,519	1,519
Dividend paid	-	-	-	-	-	(1,471)	-	-	(1,471)
Other movements	-	-	(1,231)	31	(184)	1,364	-	-	(20)
Balance at 31 December 2020	-	46,807	-	474	1,017	(1,308)	(11,753)	1,519	36,756

	<i>Share capital</i> (37.1)	<i>Share premium</i> (37.1)	<i>Revaluation reserve</i> (37.2)	<i>Currency translation reserve</i> (37.3)	<i>Other legal reserves</i> (37.4)	<i>Other reserves</i> (37.5)	<i>Retained earnings</i> (37.6)	<i>Result for the period</i> (37.7)	Total
(x 1,000)	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2019	-	20,523	-	253	1,306	(1,306)	-	(7,662)	13,114
Movements									
Appropriation of result last book year	-	-	-	-	-	-	(7,662)	7,662	-
Result for financial year	-	-	-	-	-	-	-	(4,091)	(4,091)
Movements prior year	-	-	695	9	(138)	138	-	-	704
Other movements	-	-	536	181	33	(33)	-	-	717
Balance at 31 December 2019	-	20,523	1,231	443	1,201	(1,201)	(7,662)	(4,091)	10,444



The equity value of the company deviates from the group equity and result as the subsidiaries VCV Nordics, Kinly Inc., and Our Connecting Visions BVBA of the participation Kinly Holding B.V. are valued at nil (not lower than nil) as the Company is not liable of any liability 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 2020:

	<i>Equity</i>	<i>Result</i>
	€'000	€'000
Consolidated	21,778	(13,367)
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	14,886
Company only	36,756	1,519

The reconciliation between consolidated equity and result and the company equity and result can be specified as follows for the book year 2019:

	<i>Equity</i>	<i>Result</i>
	€'000	€'000
Consolidated	9,975	(2,329)
Impact subsidiaries not valued lower than nihil beginning of book year	2,231	-
Change in equity value subsidiaries with negative equity in book year	(1,762)	(1,762)
Company only	10,444	(4,091)

38.1. Share capital and share premium

The authorised share capital of the Company consists of ordinary shares with a nominal value of €0.01. Issued share capital amounts to €0 (2019: €0) and consists of 100 (2019: 100) ordinary shares. All shares are fully paid-up.

At the incorporation of the Company an amount of €20,523 has been paid as share premium by the equity holders. Upon the issuance of new shares during the year an additional share premium has been recognized of €26,284.



38.2. 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.

	2020 €'000	2019 €'000
Balance as at beginning of period	1,231	-
Movements prior years	-	695
Addition / (releases)	(1,231)	536
Balance as at end period	-	1,231

38.3. Currency translation reserve

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

	2020 €'000	2019 €'000
Balance as at beginning of period	443	253
Movements prior years	-	9
Addition	31	181
Balance as at end period	474	443

38.4. Other legal reserves

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

	<i>Capitalised development costs</i> €'000	<i>Total</i> €'000
Balance as at 1 January 20	1,201	1,201
Change	(184)	(184)
Balance as at 31 December 2020	1,017	1,017

	<i>Capitalised development costs</i> €'000	<i>Total</i> €'000
Balance as at 1 January 2019	1,168	1,168
Addition	33	33
Balance as at 31 December 2019	1,201	1,201



38.5. *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:

	2020 €'000	2019 €'000
Balance as at beginning of period	(1,201)	(1,168)
Dividend paid	(1,471)	-
Addition	1,364	(33)
Balance as at end period	<u>(1,308)</u>	<u>(1,201)</u>

38.6. *Retained earnings*

	2020 €'000	2019 €'000
Balance as at beginning of period	(7,662)	-
Result prior period	(4,091)	(7,662)
Balance as at end period	<u>(11,753)</u>	<u>(7,662)</u>

38.7. *Result for the period*

Proposed appropriation of the result

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



39. Provisions

Provisions relate to deferred tax liabilities, recognized on customer relationships (2020: €2,069; 2019: €2,438) and capitalized developments costs (2020: €68; 2019: nil). The movement in the deferred tax liabilities can be specified as follows:

	2020	2019
	€'000	€'000
Balance at 1 January	2,438	3,123
Addition	68	-
Utilisation	(369)	(640)
Other	-	(45)
Balance at 31 December	2,137	2,438

An amount of €1,768 (2019: €1,700) of the provision can be considered as non-current.

40. Non-current liabilities

	<i>Debts to lending institutions I</i>	<i>Debts to lending institutions II</i>	<i>Debts to equity holders</i>	Total
	€'000	€'000	€'000	€'000
Balance at 1 January 2020	16,343	-	2,772	19,115
Movements				
Additions	-	54,669	-	54,669
Repayments	(16,343)	-	-	(16,343)
Fee amortisation	-	53	-	53
Interest in kind	-	586	167	753
Currency translation	-	(423)	-	(423)
Total movements	(16,343)	54,885	167	38,709
Balance at 31 December 2020	-	54,885	2,939	57,824
Due within one year	€0 (2019: €2,853)	€0 (2019: €0)	€2,939 (2019: €0)	€2,939 (2019: €2,853)

Debts to equity holders relate to a subordinated loan from Kinly Top Holding B.V. Repayment obligations falling due within 12 months from the end of the financial year are nil (2019: nil). Subsequent to year-end the loan has been repaid in full. The loan is denominated in euros.

Regarding Debts to lending institutions II refer to Note 15.



41. Current liabilities

	31-12-2020	31-12-2019
	€'000	€'000
Debts to lending institutions	9,775	8,567
Payables to group companies	5,298	2,003
Payables to shareholder	237	127
Payables to related parties	-	94
Taxes and social security contributions payable	-	905
Other liabilities, accruals and deferred income	1,968	2,073
	<u>17,278</u>	<u>13,769</u>

All current liabilities have a remaining term of maturity of less than one year. The fair value of current liabilities approximates the carrying amount, because of their short-term character.

42. Contingent liabilities

Fiscal unity

For corporate income tax purposes, the Company, Kinly Tree Holding B.V., Kinly Top Holding B.V., Kinly Netherlands B.V., MK2 Groep B.V., MK2 Audiovisueel B.V. and MK2 Audiovisueel Verhuur 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.

Declaration of liability

The Company has issued a declaration of joint and several liability as referred to in section 403, book 2 of the Dutch Civil Code in respect to specific consolidated Dutch participations, being Kinly Netherlands B.V., MK2 Groep B.V., MK2 Audiovisueel B.V., and MK2 Audiovisueel Verhuur B.V.

43. Average number of employees

At the end of the reporting period 17 (2019: 15) employees were employed by the Company. All employees are employed in The Netherlands.

44. Audit fees

For more detailed information about the audit fees, reference is made to note 26 in the consolidated financial statements.

45. Board of directors

During the financial year, on 27 November 2020, Mr. O. Krap was appointed to the board of directors, Mr T. Martin resigned on the same date. Refer to note 22.

46. Events after balance sheet date

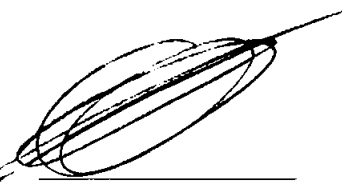
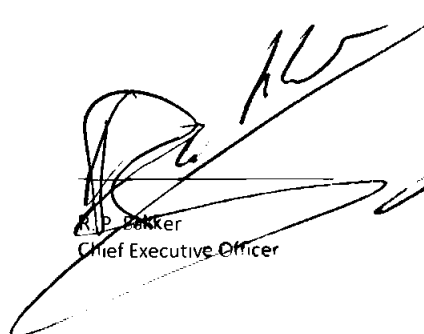
For the disclosure of the events after balance sheet date reference is made to note 31 in the consolidated financial statements.



Signing of the financial statements

Amsterdam, 30 September 2021,

Board of directors,



K.P. Bakker
Chief Executive Officer

O. Krap
Chief Financial Officer



Other information



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



Independent auditors' report





mazars

Delflandlaan 1
P.O. Box 7266
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 Holding B.V.

Report on the audit of the financial statements 2020 included in the annual report

Our opinion

We have audited the financial statements 2020 of Kinly 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 Holding B.V. as at 31 December 2020 and of its result for 2020 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 2020;
2. the consolidated and company profit and loss account for 2020, 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 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.

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;

Mazars Accountants N.V. with its registered office in Rotterdam. Trade register Rotterdam: 34022115



mazars

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 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.

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.



mazars

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.

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 board of directors, 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.



mazars

We provide the board of directors 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.

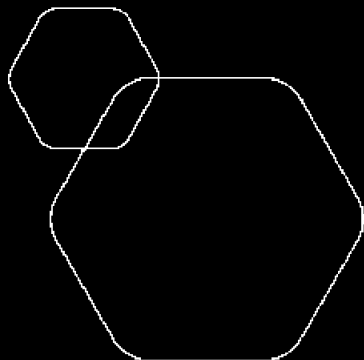
Amsterdam, 30 September 2021

Mazars Accountants N.V.

drs. R.C.H.M. Horsmans RA RV



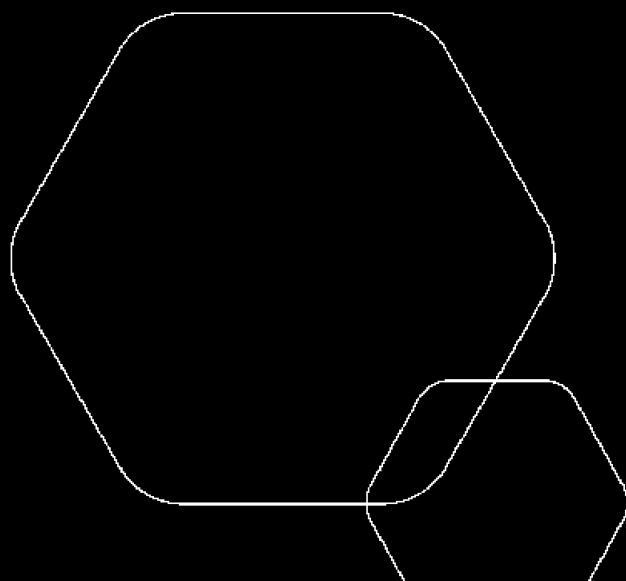
DocuSign Envelope ID: 7EAAE32B-B1DF-4657-9668-17F5A49FEC79



Annual Report 2020

Vcv Nordics AS

Revenue statement
Balance sheet
Cash flows
Notes to the Accounts



Org.no.: 919 422 335



DocuSign Envelope ID: 7EAAE32B-B1DF-4657-9668-17F5A49FEC79

REVENUE STATEMENT			
VCV NORDICS AS			
	NOTE	2020	2019
REVENUE STATEMENT			
OPERATING INCOME AND OPERATING EXPENSES			
Other operating expenses	1	431 249	83 168
Total operating expenses		431 249	83 168
Operating profit		-431 249	-83 168
FINANCIAL INCOME AND EXPENSES			
Income from other group companies	2	80 000 000	2 404 791
Other interest income		3 735	1 016
Other financial income	3	124 501	2 214 547
Other interest expenses		12 732 835	2 948 942
Other financial expenses	3	3 356 814	1 588 244
Net financial items		64 038 587	83 168
Operating result before tax		63 607 338	1
Tax on ordinary result	8	0	0
Ordinary result after tax		63 607 338	1
Annual net profit		63 607 338	1
BROUGHT FORWARD			
Additional dividend		44 948 783	0
Allocated to other equity		18 658 555	1
Net brought forward	6	63 607 338	1

VCV NORDICS AS

SIDE 2



DocuSign Envelope ID: 7EAAE32B-B1DF-4657-9668-17F5A49FEC79

BALANCE SHEET

VCV NORDICS AS

	Note	2020	2019
ASSETS			
FINANCIAL FIXED ASSETS			
Investments in subsidiaries	2	186 299 989	230 566 948
Total financial fixed assets		186 299 989	230 566 948
Total fixed assets		186 299 989	230 566 948
CURRENT ASSETS			
DEBTORS			
Other short-term receivables	4	36 994 463	2 415 291
Total receivables		36 994 463	2 415 291
Cash and bank deposits	5	31 067 354	876 627
Total current assets		68 061 817	3 291 918
Total assets		254 361 806	233 858 866



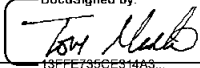
DocuSign Envelope ID: 7EAAE32B-B1DF-4657-9668-17F5A49FEC79

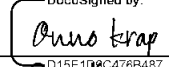
BALANCE SHEET

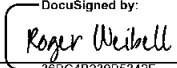
VCV NORDICS AS

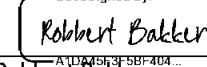
	Note	2020	2019
EQUITY AND LIABILITIES			
EQUITY			
PAID-UP EQUITY			
Share capital	6	990 000	990 000
Share premium reserve	6	8 515 750	143 869 500
Total paid-up equity		9 505 750	144 859 500
RETAINED EARNINGS			
Other equity	6	12 671 505	-5 987 050
Total retained earnings		12 671 505	-5 987 050
Total equity		22 177 255	138 872 450
LIABILITIES			
OTHER LONG-TERM LIABILITIES			
Other long term liabilities	4, 7	222 290 779	94 986 416
Total of other long term liabilities		222 290 779	94 986 416
CURRENT DEBT			
Other current debt	4	9 893 772	0
Total current debt		9 893 772	0
Total liabilities		232 184 551	94 986 416
Total equity and liabilities		254 361 806	233 858 866

Sandnes, 12.05.2021

DocuSigned by:

13F1E7306E344A3
Thomas Michael Martin
chairman of the board

DocuSigned by:

D15E1D2C478B487...
Ohno Krap
member of the board

DocuSigned by:

36BC4D239B5342F...
Roger Weibell
member of the board

DocuSigned by:

A1D745F3F5BF404...
Robbert Bakker
member of the board



DocuSign Envelope ID: 7EAAE32B-B1DF-4657-9668-17F5A49FEC79

INDIRECT CASH FLOW

VCV NORDICS AS

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/loss before tax	63 607 338	1
Recognised Group contribution received	-52 000 000	-2 404 791
Change in other accrual items	-24 685 400	-15 000
Net cash flows from operating activities	-13 078 062	-2 419 791
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Payments to buy shares and participations in other companies	-681 824	0
Net cash flows from investment activities	-681 824	0
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of new long-term liabilities	136 063 890	0
Repayment of long-term liabilities	-8 759 527	-4 054 372
Proceeds from equity	44 948 783	2 453 921
Repayments of equity	-135 353 750	0
Payment of dividend	-44 948 783	0
Proceeds from Group contributions	52 000 000	0
Net cash flows from financing activities	43 950 613	-1 600 451
Net change in cash and cash equivalents	30 190 727	-4 020 242
Cash and cash equivalents at the start of the period	876 627	4 896 868
Cash and cash equivalents at the end of the period	31 067 354	876 627



DocuSign Envelope ID: 7EAAE32B-B1DF-4657-9668-17F5A49FEC79

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 31.12.2020.

CONSOLIDATION

Consolidated accounts for VCV Nordics AS are not made because the ultimate parent company of VCV Nordics 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.



DocuSign Envelope ID: 7EAE32B-B1DF-4657-9668-17F5A49FEC79

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.



DocuSign Envelope ID: 7EAE32B-B1DF-4657-9668-17F5A49FEC79

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

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);

	2020	2019
Statutory audit fee	26 800	72 000
Audit related services	239 400	10 000
Total	266 200	82 000

Note 2 - Subsidiaries

Company	Viju AS
Date of acquisition	2017
Business residence	Sandnes
Ownership	100 %
Voting rights	100 %
Number of shares owned	70 500 042
Share capital	70 500 042
Profit after tax 2020	-2 084 062
Equity per 31.12.2020	86 308 434
Book value of investment	186 299 989

Note 3 - Items that are presented together in the income statement

Other financial expenses

	2020	2019
Currency loss	2 539 136	1 588 244
Other financial expenses	817 678	0
Total	3 356 814	1 588 244



DocuSign Envelope ID: 7EAE32B-B1DF-4657-9668-17F5A49FEC79

Vcv Nordics AS **919 422 335**

Notes to the annual accounts

Note 4 - Intercompany balances

Current assets

	31.12.2020	31.12.2019
Other receivables		
- Intercompany balance with Kinly AS	0	10 500
- Group contribution due from Viju AS	28 000 000	2 404 791
- Prepaid restructuring arrangement costs on loan from Kinly Holding B.V	8 994 463	0
Total	36 994 463	2 415 291

Non-current liabilities

	31.12.2020	31.12.2019
<i>Other long term liabilities</i>		
Intercompany loan from Kinly Holding B.V	222 290 779	86 226 889
Intercompany loan from Kinly AS	0	8 759 527
Total	222 290 779	94 986 416

Current liabilities

	31.12.2020	31.12.2019
<i>Other current debt</i>		
Restructuring arrangement costs on loan from Kinly Holding B.V	9 812 141	0
Intercompany balance with Viju AS	81 631	0
Total	9 893 772	0

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:

	31.12.2020	31.12.2019
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	222 290 779	0
Total	222 290 779	86 226 889

Note 5 - Bank deposits

The company has no cash that is restricted as per 31.12.2020.



DocuSign Envelope ID: 7EAE32B-B1DF-4657-9668-17F5A49FEC79

Vcv Nordics AS

919 422 335

Notes to the annual accounts

Note 6 - Equity and shareholder information

	Issued capital	Share premium fund	Other equity	Total
Equity 01.01.2020	990 000	143 869 500	-5 987 050	138 872 450
This years change in equity:				
Capital increase/reduction		-135 353 750		-135 353 750
Dividends paid			-44 948 783	-44 948 783
Result for the year			63 607 338	63 607 338
Equity 31.12.2020	990 000	8 515 750	12 671 505	22 177 255

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 31.12.2020.

Note 7 - Liabilities to financial institutions, pledge and guarantees

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

The total overdraft facility for the Group is NOK 7 000 000. At the year end, the overdraft was not used, and the VCV Nordics 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.



DocuSign Envelope ID: 7EAAE32B-B1DF-4657-9668-17F5A49FEC79

Vcv Nordics AS

919 422 335

Notes to the annual accounts

Note 8 Tax

This year's tax expense	2020	2019
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	0	0
Tax expense on ordinary profit/loss	0	0
Taxable income:		
Ordinary result before tax	63 607 338	1
Permanent differences	-80 000 000	-2 404 791
Received intra-group contribution	16 392 662	2 404 791
Taxable income	0	1
Payable tax in the balance:		
Payable tax on this year's result	-3 606 386	-529 054
Payable tax on received Group contribution	3 606 386	529 054
Total payable tax in the balance	0	0
Calculation of effective tax rate		
Profit before tax	63 607 338	1
Calculated tax on profit before tax	13 993 614	0
Total	13 993 614	0
Effective tax rate	22,0 %	22,0 %



DocuSign Envelope ID: 7EAE32B-B1DF-4657-9668-17F5A49FEC79

Annual Report for VCV Nordics AS 2020

VCV Nordics 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 as a result got the name VCV Nordics 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.

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, New York and Stavanger.

VCV Nordics AS had no revenues in the period, an operating loss of NOK 431.249, a profit before tax of NOK 63.607.338 and a net profit for the period of NOK 63.607.338.

The result for the year increased other equity by NOK 63.607.338, less dividend paid in the year of 44.948.783, leaving the company's total equity at NOK 22.177.255 as of 31.12.20.

The net cash flow from operating activities was a negative NOK 13.078.062 in 2020, compared with a negative cash flow of NOKm 2.419.791 in 2019.

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. VCV Nordics 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 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. The Company's Norwegian operation conduct a small number of transactions in foreign currencies.

As part of a restructure in the Kinly Group, values in the Kinly Ltd were paid as a dividend to VCV AS through Viju AS during 2020. The plan is to have the legal entity Kinly Ltd liquidated during 2021. These assets and liabilities was furthermore given as a dividend to its owner, Kinly Holding BV, during 2020.

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 2020.

The coronavirus pandemic (COVID-19) continues to spread in many countries at the time VCV Nordics' 2020 financial statements are issued.



DocuSign Envelope ID: 7EAE32B-B1DF-4657-9668-17F5A49FEC79

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.

VCV Nordics 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, the subsidiaries in the group has been impacted differently. In Norway, Kinly AS delivered the best result in the history of the company in 2020, and is performing in line with 2020 so far in 2021, while the business in UK, Singapore and US was more affected in 2020. In 2021 there is no activity in Kinly Ltd.

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 unfolds during 2021.

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 2021.

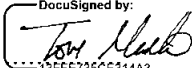
Growth outlook coincides with the opinions from leading market research companies and technology manufacturers and there is an increasing demand for providing solutions that integrate different collaboration technologies.

During the year, the company conducted research and development activities in areas with significant potential for growth and has already commercialized and put to life several of the new solutions in the latter parts of the year.



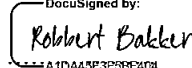
DocuSign Envelope ID: 7EAE32B-B1DF-4657-9668-17F5A49FEC79

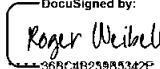
Sandnes, 12 May 2021

DocuSigned by:

15FFE735CE314A3
Thomas Michael Martin
Chairman

DocuSigned by:

D15E1D9C478B487...
Onno Krap
Board Member

DocuSigned by:

A1DA45F3F9BF401...
Robbert Paul Bakker
Board Member

DocuSigned by:

368C4B259B5342F...
Roger Weibell
Board Member



mazars

Fridtjof Nansens vei 19
0368 Oslo
Norway
Tel: +47 22 19 63 00
www.mazars.no

Til generalforsamlingen

VCV Nordics AS

UAVHENGIG REVISORS BERETNING

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert årsregnskapet til VSV Nordics AS som viser et overskudd på kr 63 607 338. Årsregnskapet består av balanse per 31. desember 20, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til regnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening er det medfølgende årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettvise bilde av selskapets finansielle stilling per 31. desember 2020, og av dets resultater 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 lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Ledelsen er ansvarlig for øvrig informasjon. Øvrig informasjon består av årsberetning, men inkluderer ikke årsregnskapet og revisjonsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke øvrig informasjon, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese øvrig informasjon med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom øvrig informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon. Dersom vi hadde konkludert med at den øvrige informasjonen inneholder vesentlig feilinformasjon er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

Styrets ansvar for årsregnskapet

Styret (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettvise 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

Mazars AS
Org. no. 979 605 994



mazars

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 lov, forskrift og god revisjonsskikk i Norge, herunder 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.

Det henvises til <https://revisorforeningen.no/revisjonsberetninger> som inneholder en beskrivelse av revisors oppgaver og plikter.

Uttalelse om øvrige lovmessige krav

Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til anvendelse av overskuddet er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringskikk i Norge.

Oslo, 19.05.2022
Mazars Revisjon AS


Odd Hugo Lihnerud
Statsautorisert revisor



Skatteetaten

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.