
Eurogiro A/S

Toldbodgade 55 B, DK-1253 København K

Annual Report for 2022

CVR No. 31 05 66 67

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 21/3 2023

Ulrich Hejle
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Eurogiro A/S for the financial year 1 January - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Copenhagen, 21 March 2023

Executive Board

Thomas Jul Pfeiffer
CEO

Board of Directors

Jan Ovesen
Chairman

Steen Trondhjem Nielsen

Ulrich Hejle

Independent Auditor's report

To the shareholders of Eurogiro A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Eurogiro A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ringsted, 21 March 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Brian Petersen

State Authorised Public Accountant

mne28701

Nikolaj Frausing Borch

State Authorised Public Accountant

mne44062

Company information

The Company	Eurogiro A/S Toldbodgade 55 B DK-1253 København K CVR No: 31 05 66 67 Financial period: 1 January - 31 December Incorporated: 26 October 2007 Financial year: 15th financial year Municipality of reg. office: Copenhagen
Board of Directors	Jan Ovesen, chairman Steen Trondhjem Nielsen Ulrich Hejle
Executive board	Thomas Jul Pfeiffer
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Eventyrvej 16 4100 Ringsted

Management's review

Key activities

Eurogiro is a payment network and community of postal organisations and banks, which provides crossborder payments services. Eurogiro's role is to develop and maintain software that support the business activities of its members and customers. Through the community, members share best practices and other business development activities.

Development in finances and main activities

Financial performance

Significant investments have been made to build a new business platform, and to launch new innovative products to the Eurogiro community.

Consequently, Eurogiro had a negative financial result before tax for 2022 of DKKt 40,249 (2021 DKKt - 67,926). The financial result is in accordance with budget and is aligned with the strategy of investing in a new ground-breaking digital financial ecosystem for current and future members.

As part of this investment, the new Eurogiro business platform is integrated with the payments platform of Inpay, offering not only the functionality of the platform but also connectivity to the Inpay network of customers and network providers. Management believes that this will increase the attractiveness of Eurogiro to postal organisations and post banks and thereby also to Eurogiro in the mid-term.

Capital resources

To support the significant investments into the new business platform and product portfolio, the shareholder has made a tax-free contribution of DKKm 37 to Eurogiro A/S in March of 2023. The shareholder has also given a declaration of support until 31 March 2024, ensuring Eurogiro sufficient liquidity to support the ongoing investment plans.

The management is confident that massive business development effort ongoing in Eurogiro creates the basis for a sound, viable and profitable business in the medium-term, and in that context understands the loss recorded

Unusual events

The financial position at 31 December 2022 of the Company and the results of the activities of the Company for the financial year for 2022 have not been affected by any unusual events including the unstable situation in Ukraine.

Subsequent events

The shareholder has made a tax-free contribution of DKK 37m to the Company in March of 2023 thereby reestablishing its equity.

No other events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2022 DKK	2021 DKK
Gross loss		-29,891,537	-34,598,376
Staff expenses	2	-862,949	-6,256,805
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-21,344	-12,939,964
Profit/loss before financial income and expenses		-30,775,830	-53,795,145
Income from investments in subsidiaries	4	-8,773,182	-12,349,856
Financial income	5	633,978	197,758
Financial expenses	6	-1,333,559	-1,979,231
Profit/loss before tax		-40,248,593	-67,926,474
Tax on profit/loss for the year		7,053,540	11,971,006
Net profit/loss for the year		-33,195,053	-55,955,468

Distribution of profit

	2022 DKK	2021 DKK
Proposed distribution of profit		
Retained earnings	-33,195,053	-55,955,468
	-33,195,053	-55,955,468

Balance sheet 31 December

Assets

	Note	2022 DKK	2021 DKK
Completed development projects		0	0
Development projects in progress		0	0
Intangible assets	7	<u>0</u>	<u>0</u>
Other fixtures and fittings, tools and equipment		0	21,346
Property, plant and equipment	8	<u>0</u>	<u>21,346</u>
Investments in subsidiaries	9	0	768,171
Fixed asset investments		<u>0</u>	<u>768,171</u>
Fixed assets		<u>0</u>	<u>789,517</u>
Trade receivables		342,429	628,124
Receivables from group enterprises		13,049,338	10,608,375
Other receivables		2,620,517	1,125,581
Deferred tax asset		28,833	1,333,822
Corporation tax		8,358,529	10,682,693
Prepayments		0	138,771
Receivables		<u>24,399,646</u>	<u>24,517,366</u>
Cash at bank and in hand		<u>4,792,560</u>	<u>645,270</u>
Current assets		<u>29,192,206</u>	<u>25,162,636</u>
Assets		<u>29,192,206</u>	<u>25,952,153</u>

Balance sheet 31 December

Liabilities and equity

	Note	2022 DKK	2021 DKK
Share capital		2,507,900	2,507,900
Retained earnings		-33,100,403	94,650
Equity		-30,592,503	2,602,550
Provisions relating to investments in group enterprises		8,005,011	0
Provisions		8,005,011	0
Credit institutions		0	2
Prepayments received from customers		4,304,048	2,026,502
Trade payables		360,536	2,645,721
Payables to group enterprises		47,005,347	17,418,179
Other payables	10	109,767	1,259,199
Short-term debt		51,779,698	23,349,603
Debt		51,779,698	23,349,603
Liabilities and equity		29,192,206	25,952,153
Subsequent events	1		
Contingent assets, liabilities and other financial obligations	11		
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Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	2,507,900	94,650	2,602,550
Net profit/loss for the year	0	-33,195,053	-33,195,053
Equity at 31 December	2,507,900	-33,100,403	-30,592,503

Notes to the Financial Statements

1. Subsequent events

The shareholder has made a tax-free contribution of DKK 37m to the Company in March of 2023 thereby reestablishing its equity.

No other events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

	<u>2022</u>	<u>2021</u>
	DKK	DKK
2. Staff Expenses		
Wages and salaries	813,564	6,095,084
Pensions	17,483	18,745
Other social security expenses	16,545	22,293
Other staff expenses	15,357	120,683
	<u>862,949</u>	<u>6,256,805</u>
Average number of employees	<u>1</u>	<u>2</u>

	<u>2022</u>	<u>2021</u>
	DKK	DKK
3. Special items		
Impairment of fixed assets	<u>0</u>	<u>12,854,594</u>
	<u>0</u>	<u>12,854,594</u>

	<u>2022</u>	<u>2021</u>
	DKK	DKK
4. Income from investments in subsidiaries		
Share of losses	0	-12,467,842
Write off	<u>-8,773,182</u>	<u>117,986</u>
	<u>-8,773,182</u>	<u>-12,349,856</u>

Notes to the Financial Statements

	2022	2021
	DKK	DKK
5. Financial income		
Interest received from group enterprises	633,634	197,758
Other financial income	344	0
	<u>633,978</u>	<u>197,758</u>

	2022	2021
	DKK	DKK
6. Financial expenses		
Interest paid to group enterprises	1,316,882	1,947,822
Other financial expenses	13,651	18,058
Exchange adjustments, expenses	3,026	13,351
	<u>1,333,559</u>	<u>1,979,231</u>

7. Intangible fixed assets

	Completed development projects	Develop- ment projects in progress
	DKK	DKK
Cost at 1 January	27,991,335	7,682,584
Cost at 31 December	<u>27,991,335</u>	<u>7,682,584</u>
Impairment losses and amortisation at 1 January	27,991,335	7,682,584
Impairment losses and amortisation at 31 December	<u>27,991,335</u>	<u>7,682,584</u>
Carrying amount at 31 December	<u>0</u>	<u>0</u>
Amortised over	<u>5 years</u>	

Notes to the Financial Statements

8. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	<u>DKK</u>
Cost at 1 January	288,785
Cost at 31 December	<u>288,785</u>
Impairment losses and depreciation at 1 January	267,441
Depreciation for the year	<u>21,344</u>
Impairment losses and depreciation at 31 December	<u>288,785</u>
Carrying amount at 31 December	<u>0</u>

Notes to the Financial Statements

	2022	2021
	DKK	DKK
9. Investments in subsidiaries		
Cost at 1 January	13,040,000	120,944
Additions for the year	0	13,000,000
Disposals for the year	0	-80,944
Cost at 31 December	<u>13,040,000</u>	<u>13,040,000</u>
Value adjustments at 1 January	-12,271,829	-2,918
Disposals for the year	0	80,944
Net profit/loss for the year	-8,773,182	-12,271,829
Other adjustments	0	-78,026
Value adjustments at 31 December	<u>-21,045,011</u>	<u>-12,271,829</u>
Equity investments with negative net asset value transferred to provisions	<u>8,005,011</u>	<u>0</u>
Carrying amount at 31 December	<u>0</u>	<u>768,171</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
PostalPay Technologies ApS	Copenhagen	40,000	100%	-8,005,011	-8,773,182
				<u>-8,005,011</u>	<u>-8,773,182</u>

	2022	2021
	DKK	DKK
10. Other debt		
Long-term part	0	0
Other debt	109,767	1,259,199
	<u>109,767</u>	<u>1,259,199</u>

Notes to the Financial Statements

2022	2021
DKK	DKK

11. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Rental and lease obligations	997,051	7,576,903
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Eurogiro A/S has issued an unlimited letter of support towards its subsidiary PostalPay Technologies ApS, whereby Eurogiro A/S undertakes to support the subsidiary with capital if deemed necessary to ensure, that the subsidiary will be able to continue operating and service its liabilities. The letter of support is valid until 31 March 2024.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Inpay TopCo ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

12. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Inpay TopCo ApS	Copenhagen

Notes to the Financial Statements

13. Accounting policies

The Annual Report of Eurogiro A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Income statement

Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Notes to the Financial Statements

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with . The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Completed development projects are measured at cost less accumulated amortisation. Completed development projects are amortised on a straightline basis over their useful lives, assessed at 3 - 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3 years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Notes to the Financial Statements

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.