

# PASPX A/S


Søvangsvej 1-5, 2650 Hvidovre

CVR no. 31 77 89 64

## Annual report 2018

Approved at the Company's annual general meeting on 23 April 2019

Chairman

  
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Johan Basse Bergqvist





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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of PASPX A/S for the financial year 1 January - 31 December 2018.

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 of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

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

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

Hvidovre, 23 April 2019  
Executive Board:



John Hejndorf Kristiansen  
CEO

Board of Directors:



Johan Basse Bergqvist  
Chairman



Michael F. Roofian



Lars Holmbjerg

## Independent auditor's report

To the shareholder of PASPX A/S

### Opinion

We have audited the financial statements of PASPX A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

### Management's responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements 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 the 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.

## Independent auditor's report

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

### Statement on the Management's review

Management is responsible for the Management's review.


Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 23 April 2019  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Thomas Hjortkjær Petersen  
State Authorised Public Accountant  
mne33748



## Management's review

### Company details

Name	PASPX A/S
Address, Postal code, City	Søvangsvej 1-5, 2650 Hvidovre
CVR no.	31 77 89 64
Established	8 October 2008
Financial year	1 January - 31 December
Executive Board	John Hejndorf Kristiansen, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuhs Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

## Management's review

### Business review

The Company's principal activity is to offer card services and handling of e-money, payment services and associated activities. The Company has an e-money institution license and is under supervision by the Danish Financial Supervisory Authority.

### Financial review

The income statement for 2018 shows a loss of DKK 12,819 thousand against a loss of DKK 889 thousand last year, and the balance sheet at 31 December 2018 shows equity of DKK 9,363 thousand. In the year, the Company has issued shares for a total amount of DKK 19,204 thousand.

During 2018, the Company has been planning, scaling and initiated the implementation of a new core infrastructure of payment services and associated activities. These activities have led to an increase in staffing and a rise in cost levels.

Loss for the year is acceptable in view of the planned developments and adherence to new legislation as the cost relates to upscaling the business and investments in new infrastructure.

### Events after the balance sheet date

The Company has issued shares for a total amount of DKK 25,157 thousand in April 2019. Besides from the increased capital resources, no events materially affecting the Company's financial position have occurred subsequent to the financial year end.

### Outlook

Management expects the implementation of the new infrastructure to be concluded in the second half of 2019, ready for business to commence and hence revenues to be generated.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2018	2017
	Gross margin	-3,359,406	2,835,637
3	Staff costs	-7,142,720	-2,972,310
	Depreciation/amortisation and impairment losses on intangible assets and property, plant and equipment	-2,391,542	-627,936
	<b>Profit/loss before net financials</b>	<b>-12,893,668</b>	<b>-764,609</b>
	Financial income	133,611	0
	Financial expenses	-58,472	-123,986
	<b>Profit/loss before tax</b>	<b>-12,818,529</b>	<b>-888,595</b>
	Tax for the year	0	0
	<b>Profit/loss for the year</b>	<b>-12,818,529</b>	<b>-888,595</b>
	 <b>Recommended appropriation of profit/loss</b>		
	Retained earnings/accumulated loss	-12,818,529	-888,595
		-12,818,529	-888,595



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	<u>2018</u>	<u>2017</u>
	<b>ASSETS</b>		
	Fixed assets		
	Intangible assets		
	Acquired intangible assets	0	813,976
		<u>0</u>	<u>813,976</u>
	<b>Property, plant and equipment</b>		
	Fixtures and fittings, other plant and equipment	1,140,817	2,811,450
	Leasehold improvements	233,067	0
		<u>1,373,884</u>	<u>2,811,450</u>
	<b>Investments</b>		
	Deposits, investments	152,398	64,203
		<u>152,398</u>	<u>64,203</u>
	<b>Total fixed assets</b>	<u>1,526,282</u>	<u>3,689,629</u>
	<b>Non-fixed assets</b>		
	Receivables		
4	Other receivables	8,891,031	848,093
		<u>8,891,031</u>	<u>848,093</u>
	<b>Cash</b>	665,573	2,261
	<b>Total non-fixed assets</b>	<u>9,556,604</u>	<u>850,354</u>
	<b>TOTAL ASSETS</b>	<u><u>11,082,886</u></u>	<u><u>4,539,983</u></u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	<u>2018</u>	<u>2017</u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	26,820,000	12,526,179
	Retained earnings	<u>-17,456,563</u>	<u>-9,548,213</u>
	<b>Total equity</b>	<u>9,363,437</u>	<u>2,977,966</u>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Trade payables	677,344	635,793
	Other payables	<u>1,042,105</u>	<u>926,224</u>
		<u>1,719,449</u>	<u>1,562,017</u>
	<b>Total liabilities other than provisions</b>	<u>1,719,449</u>	<u>1,562,017</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>11,082,886</u>	<u>4,539,983</u>

- 1 Accounting policies
- 2 Going concern
- 6 Contractual obligations and contingencies, etc.

## Financial statements 1 January - 31 December

## Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2018	12,526,179	-9,548,213	2,977,966
Capital increase	14,293,821	4,910,179	19,204,000
Transfer through appropriation of loss	0	-12,818,529	-12,818,529
Equity at 31 December 2018	26,820,000	-17,456,563	9,363,437

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of PASPX A/S for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Changes in accounting estimates

Management has changed its accounting estimate regarding depreciations on property, plant and equipment, as Management has reassessed the expected useful life of the assets. The change has had an impact on the financial statements, as depreciations for 2018 have increased by DKK 996 thousand and the net profit was adversely affected by DKK 996 thousand. Equity was adversely affected by DKK 996 thousand. In total, assets have decreased by DKK 996 thousand.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Other operating income

Other operating income comprises items of a secondary nature relative to the Company's core activities, including consultancy fees.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration and premises, etc.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

##### Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	3 years
Leasehold improvements	5 years

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses and foreign exchange adjustments, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

##### Balance sheet

##### Intangible assets

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

##### Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

#### 2 Going concern

The Company complies with the capital requirements in accordance with the rules of the Danish Financial Supervisory Authority as at 31 December 2018.

Results for the year shows a loss of DKK 12,819 thousand after tax. During the year, the Company has issued shares for a total amount of DKK 19,204 thousand and further DKK 25,157 thousand has been issued in April 2019.

The Company's budget for 2019 shows a net loss of DKK 23,114 thousand, and with the capital injection in April 2019, Management believes that the financial statements can be prepared on a going concern basis.

DKK	2018	2017
<b>3 Staff costs</b>		
Wages/salaries	6,550,974	2,656,239
Pensions	433,680	199,830
Other social security costs	56,965	15,343
Other staff costs	101,101	100,898
	<u>7,142,720</u>	<u>2,972,310</u>
Average number of full-time employees	<u>7</u>	<u>4</u>
<b>4 Other receivables</b>		
Receivables at lawyer's client account	8,594,934	0
VAT receivables	232,044	0
Accruals	64,053	233,103
Other receivables	0	614,990
	<u>8,891,031</u>	<u>848,093</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 5 Deferred tax

The Company has a deferred tax asset of DKK 5,021 thousand, mainly related to tax loss carry-forward, and due to uncertainties regarding earnings in the coming 3-5 years, the deferred tax asset has not been recognised in the balance sheet. However, the Company does not forfeit the right to utilise the tax loss, and the Company can realise taxable income of DKK 21,003 thousand before having to pay tax.

#### 6 Contractual obligations and contingencies, etc.

##### Other financial obligations

Other rent and lease liabilities:

DKK	<u>2018</u>	<u>2017</u>
Rent and lease liabilities	<u>412,000</u>	<u>108,000</u>

Rent and lease liabilities include a rent obligation totalling DKK 328 thousand in interminable rent agreements with remaining contract terms of 6-24 months. Furthermore, the Company has liabilities under operating leases for IT equipment, totalling DKK 84 thousand, with remaining contract terms of 3-6 months.