



## Altapay A/S

Gyngemose Parkvej 50  
2860 Søborg  
CVR No. 31872596

## Annual report 2021

The Annual General Meeting adopted the  
annual report on 30.06.2022

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**Casper Woldersgaard**

Chairman of the General Meeting

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# Entity details

## Entity

Altapay A/S

Gyngemose Parkvej 50

2860 Søborg

Business Registration No.: 31872596

Date of foundation: 01.12.2008

Registered office: Gladsaxe

Financial year: 01.01.2021 - 31.12.2021

## Board of Directors

Marianne Søgaard

Sisse Fjelsted Rasmussen

Christian Rasmussen

## Executive Board

Christian Rasmussen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Altapay A/S for the financial year 01.01.2021 - 31.12.2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Søborg, 30.06.2022

## Executive Board

**Christian Rasmussen**

## Board of Directors

**Marianne Søgaard**

**Sisse Fjelsted Rasmussen**

**Christian Rasmussen**

# Independent auditor's report

## To the shareholder of Altapay A/S

### Opinion

We have audited the financial statements of Altapay A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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.

### 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

Copenhagen, 30.06.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

**Anders Houmann**

State Authorised Public Accountant

Identification No (MNE) mne46265

# Management commentary

## Primary activities

AltaPay is an independent and internationally focused fintech company within payments. Our mission is to make payments less complicated. We help our merchants grow and develop their business across payment channels by offering a fully integrated seamless omni-channel experience for online, mobile and in-store payments.

We develop our own unique and scalable technology to service our merchants globally. We operate a payments platform with back-end infrastructure that connects to major acquiring banks and integrates 50+ payment methods across eCommerce and in-store, and we offer fully featured APIs.

Our payment infrastructure automates, simplifies and protects the transaction flow, and AltaPay performs as a Payment Service Provider operating under the Payment Card Industry Data Security Standard (PCI DSS Level 1).

An AltaPay solution ensures one single PSP agreement and one integration across markets and currencies, with a centralized payment overview and management system across channels. We provide transparency and reduce the need for manual tasks with standardized settlement, reconciliation and reporting. This is opposed to a typical payment setup with segregated functionality that requires multiple agreements, integrations and data sources. This is the AltaPay difference. In addition to our technology, we act as a trusted payment advisor and Single Point of Contact, working side-by-side with and for our merchants to continuously optimize their payments' setup. It is not easy which is why it our mission to make payments less complicated.

## Development in activities and finances

2021 was a truly exciting and engaging year for AltaPay. On the one hand, it was a transition year as the final structural carve out from the former owner took place. In this way, we finalized tasks and projects that were inherently related to the change of ownership. On the other hand, it has been a year with full focus on the future with investments in a large range of areas that will be crucial for the acceleration of our future growth and position. In what follows, we will summarize important highlights for 2021.

We launched our strategic and exclusive partnership with Danske Bank, whereby AltaPay can support Danske Bank's ambition of helping its business customers with more than just conventional banking services in Denmark, Finland, Norway and Sweden. We make it our ambition to facilitate the access and onboarding to our platform, ensuring a safe and good experience.

AltaPay's raison d'être is our merchants. In our role as payment advisor, we cater for our merchants' success, because we strive to optimize their payments every single day, e.g., by suggesting additional payment methods and geographies, and by adding new features and payment methods to our platform. With this approach, in 2021, we supported the growth of various merchants. At the same time, we onboarded new merchants to our platform.

During the pandemic, we welcomed a dozen new people to AltaPay that, in a highly competitive market, have either chosen to join AltaPay for the first time or have chosen to return to our company. In today's job market, we are aware that it is a challenge to attract and maintain talent. For this very reason, the fact that new and former employees have opted to join our company gives us confidence in terms of attracting new talent. At the same time, we are very grateful for all the bright minds that day after day bring their competencies and skills into play at AltaPay.



Finally, thanks to our flexible employees willing to go the extra mile, we successfully overcame the physical limitations imposed by Corona, and we found new ways of working with the aid of video services.

We finalized a full-scale public cloud transformation of our platform to an AWS architecture, ensuring service uptime of 99.99%. At the same time, we released our new 3DSecure v2 module, and we completed new development that will improve conversion rates such as agreements engine, and payment tokenisation, simplifying the authentication process. Additionally, we have laid the groundwork for further development projects – data api and automated customer journey – that we will continue in the coming year. It is equally as important to single out that AltaPay is committed to security, which is why we have made significant investments in this area in 2021 to improve even further the security of our platform.

2021 concludes with a net profit of 2.227 T.DKK which is in line with management's expectations. The result has been delivered by hard work and dedication from a fantastic skilled team. AltaPay ends the year in a strong financial position with an improved equity and a solid balance sheet.

If we take a closer look at the Income Statement for 2021, it is obvious that gross profit has decreased compared to 2020. The main reason behind this decrease can be explained by the fact that we have invested heavily in the public cloud transformation of our platform whereby we, as already mentioned, can ensure service uptime of 99.99%; besides ensuring service uptime, this investment is fundamental because it will enable us to scale and, thus, catalyze future growth. In addition to an enhanced performance and scalability of our platform, it has been key for us to invest in security, especially considering the macroenvironment for security threats where we have witnessed that an increased number of companies have been the targets of, e.g., ransomware attacks. The result of this additional investment also influences this year's gross profit compared to 2020. Furthermore in 2020, the platform was hosted at the previous owner and, consequently, an artificial low cost is reflected in last year's figures; and, with the change of ownership in 2020, retrospective one-off adjustments were made that contributed positively to the gross profit. Finally, it should be noted that the average number of employees in 2021 was 28 compared to 38 in 2020. This is completely in line with the restructuring plan with a focus on automation that was initiated and later executed to place the cost base under control after the acquisition in May 2020.

## Outlook

AltaPay will, for the benefit of our merchants, continue to develop our payment platform with a focus on payment orchestration, offering excellent conversion rates, data insights and with minimum integration efforts. We see the consumer market shifting, with trends on E-Wallets, Account-To-Account Payments, QR and Digital ID. We look forward to bringing our new solutions to market.

Furthermore, AltaPay will continue our close collaboration with our partners to support an even better experience for our merchants.

As for the human factor, we will reinforce our role as payment advisor and Single Point of Contact both for existing and new merchants. Now, more than ever, and with a committed team of technology and payment experts, we look forward to making payments less complicated for our merchants.

We expect a positive market growth in the coming year as a result of our combined initiatives and we believe that our new strategic partnerships will be instrumental in winning future market share. We are especially excited to extend our partnership with Danske Bank, and we are looking forward to increasing our footprint through this collaboration. Therefore, for the coming years, we estimate double digit top-line growth and target to deliver improved net profit.

**Events after the balance sheet date**

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
<b>Gross profit/loss</b>		<b>19,277</b>	<b>27,758</b>
Staff costs	1	(15,904)	(21,742)
Depreciation, amortisation and impairment losses	2	(3,028)	(1,682)
<b>Operating profit/loss</b>		<b>345</b>	<b>4,334</b>
Other financial income	3	734	3
Other financial expenses	4	(104)	(328)
<b>Profit/loss before tax</b>		<b>975</b>	<b>4,009</b>
Tax on profit/loss for the year	5	1,252	0
<b>Profit/loss for the year</b>		<b>2,227</b>	<b>4,009</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		2,227	4,009
<b>Proposed distribution of profit and loss</b>		<b>2,227</b>	<b>4,009</b>

# Balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK'000	2020 DKK'000
Completed development projects	7	13,795	10,085
<b>Intangible assets</b>	6	<b>13,795</b>	<b>10,085</b>
Other fixtures and fittings, tools and equipment		337	153
<b>Property, plant and equipment</b>	8	<b>337</b>	<b>153</b>
Investments in group enterprises		154	154
Other investments		156	0
Deposits		511	504
Other receivables		6,514	0
<b>Financial assets</b>	9	<b>7,335</b>	<b>658</b>
<b>Fixed assets</b>		<b>21,467</b>	<b>10,896</b>
Trade receivables		6,225	6,017
Receivables from group enterprises		4,753	4,584
Deferred tax		56	0
Other receivables		184	0
Income tax receivable		0	56
Prepayments		339	206
<b>Receivables</b>		<b>11,557</b>	<b>10,863</b>
<b>Cash</b>		<b>5,284</b>	<b>18,953</b>
<b>Current assets</b>		<b>16,841</b>	<b>29,816</b>
<b>Assets</b>		<b>38,308</b>	<b>40,712</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK'000</b>	<b>2020 DKK'000</b>
Contributed capital		20,242	101,501
Share premium		0	2,875
Reserve for development expenditure		13,795	10,085
Retained earnings		(1,482)	(84,138)
<b>Equity</b>		<b>32,555</b>	<b>30,323</b>
Bank loans		91	0
Trade payables		3,053	2,942
Other payables		2,609	7,447
<b>Current liabilities other than provisions</b>		<b>5,753</b>	<b>10,389</b>
<b>Liabilities other than provisions</b>		<b>5,753</b>	<b>10,389</b>
<b>Equity and liabilities</b>		<b>38,308</b>	<b>40,712</b>
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Assets charged and collateral	12		

# Statement of changes in equity for 2021

	Contributed capital DKK'000	Share premium DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	101,501	2,875	10,085	(84,133)	30,328
Decrease of capital	(81,259)	(2,875)	0	84,134	0
Transfer to reserves	0	0	3,710	(3,710)	0
Profit/loss for the year	0	0	0	2,227	2,227
<b>Equity end of year</b>	<b>20,242</b>	<b>0</b>	<b>13,795</b>	<b>(1,482)</b>	<b>32,555</b>

# Notes

## 1 Staff costs

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Wages and salaries	14,226	19,419
Pension costs	1,505	2,067
Other social security costs	101	170
Other staff costs	72	86
	<b>15,904</b>	<b>21,742</b>
Average number of full-time employees	<b>28</b>	<b>38</b>

## 2 Depreciation, amortisation and impairment losses

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Amortisation of intangible assets	2,937	1,328
Depreciation of property, plant and equipment	91	354
	<b>3,028</b>	<b>1,682</b>

## 3 Other financial income

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Other interest income	497	25
Exchange rate adjustments	237	(22)
	<b>734</b>	<b>3</b>

## 4 Other financial expenses

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Other interest expenses	77	96
Exchange rate adjustments	27	232
	<b>104</b>	<b>328</b>

## 5 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Current tax	0	1,253
Change in deferred tax	0	(1,253)
Adjustment concerning previous years	(1,252)	0
	<b>(1,252)</b>	<b>0</b>

## 6 Intangible assets

	Completed development projects DKK'000
Cost beginning of year	11,413
Additions	6,647
<b>Cost end of year</b>	<b>18,060</b>
Amortisation and impairment losses beginning of year	(1,328)
Amortisation for the year	(2,937)
<b>Amortisation and impairment losses end of year</b>	<b>(4,265)</b>
<b>Carrying amount end of year</b>	<b>13,795</b>

## 7 Development projects

Development projects consist of the preparation of our IT platform.

## 8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	2,355
Additions	276
<b>Cost end of year</b>	<b>2,631</b>
Depreciation and impairment losses beginning of year	(2,202)
Depreciation for the year	(92)
<b>Depreciation and impairment losses end of year</b>	<b>(2,294)</b>
<b>Carrying amount end of year</b>	<b>337</b>



## 9 Financial assets

	Investments in group enterprises DKK'000	Other investments DKK'000	Deposits DKK'000
Cost beginning of year	154	0	504
Additions	0	156	7
<b>Cost end of year</b>	<b>154</b>	<b>156</b>	<b>511</b>
<b>Carrying amount end of year</b>	<b>154</b>	<b>156</b>	<b>511</b>

## 10 Unrecognised rental and lease commitments

	2021 DKK'000	2020 DKK'000
Liabilities under rental or lease agreements until maturity in total	<b>442</b>	<b>1,307</b>

## 11 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Fjelsted Rasmussen Invest ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

## 12 Assets charged and collateral

The Company has no assets charged and collateral per 31.12.2021.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

## Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Income statement

### Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### Cost of sales

Cost of sales comprises costs directly linked to revenue.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

**Staff costs**

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for entity staff.

**Depreciation, amortisation and impairment losses**

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

**Other financial income**

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Company is jointly taxed with its Parent and all the Parent's other Danish subsidiaries. The current income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Intellectual property rights etc.**

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is 3-5 years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. Development projects are written down to the lower of recoverable amount and carrying amount.

**Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3 years
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Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

**Investments in group enterprises**

Investments in group enterprises are measured at cost and are written down to the lower of recoverable amount and carrying amount.

**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

**Other investments**

Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises bank deposits.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.