



Altapay A/S

Gyngemose Parkvej 50
2860 Søborg
CVR No. 31872596

Annual report 2019

The Annual General Meeting adopted the
annual report on 31.08.2020

Christian Rasmussen

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2019	8
Balance sheet at 31.12.2019	9
Statement of changes in equity for 2019	11
Notes	12
Accounting policies	15

Entity details

Entity

Altapay A/S

Gyngemose Parkvej 50

2860 Søborg

CVR No.: 31872596

Registered office: Gladsaxe

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Christian Rasmussen

Sisse Fjelsted Rasmussen

Marianne Søgaard

Executive Board

Sisse Fjelsted Rasmussen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

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 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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, 31.08.2020

Executive Board

Sisse Fjelsted Rasmussen

Board of Directors

Christian Rasmussen

Sisse Fjelsted Rasmussen

Marianne Søgaard

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 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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 of 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 requirements. 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, 31.08.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Michael Thorø Larsen

State Authorised Public Accountant
Identification No (MNE) mne35823

Management commentary

Primary activities

AltaPay's mission is to help our merchants grow and expand their business across payment channels, that being eCommerce or in-store payments, by giving them control of their payment flows, UI, data, as well as cost transparency.

AltaPay is an internationally focused Payment Management Company. We own and continue to develop our own unique technology which takes part in the wide range of payment networks ranging from e.g. cards, direct bank transfers, direct debit, gift cards, and various installment solutions.

Development in activities and finances

As of 13 May 2020, Valitor A/S was acquired by Fjelsted Rasmussen Invest ApS, led by one of AltaPay's co-founders and previous owners. Accordingly, we became an independent Payment Management Company and changed our name from Valitor A/S to our previous name, AltaPay A/S.

Despite being held for sale during the past year, AltaPay has achieved around 10 percent organic revenue growth from 2018 to 2019. We have moreover proudly managed to continue our journey of adding new prominent merchants to our portfolio such as DFDS, Ecco, Boozt, and Bolia to name a few. These are all merchants who are buying into our strong omnichannel product offering and enjoy our personalized services.

2019 concludes with a realized net loss of 69.5m DKK. This is primarily driven by impairment losses on old development projects with no cash impact. Following the acquisition by Fjelsted Rasmussen Invest ApS in 2020, however, a substantial restructuring of AltaPay has been initiated, impacting employees, vendors, and partnerships, and placing the cost base under control. Moreover, the ownership change has entailed a capital injection of 17m DKK which together with existing cash at hand means that the current budget and forecast is considered sufficient to ensure going concern as well as supporting the future strategy and development plans. The focus will be on our customers and the technology to support them. With a strong customer base and a cost base now under control, AltaPay is expected to deliver once again positive results post the restructuring.

Outlook

AltaPay returns as an agile and independent payment service provider. Cutting-edge strategic partnerships and deep-rooted customer centricity will be cornerstones to our strategy going forward. Additionally, we will use our advanced technical capabilities as a differentiator and place high focus on constantly developing new systems and increasing our degree of automation in the business. This, we believe, will reinstate AltaPay as one of the Nordic's fastest-growing companies, building the future of payments.

Events after the balance sheet date

After the balance sheet date the company has been sold to one of the former owners of the company and the ownership changed on 13th of May 2020. Shortly after the company went through a substantial restructuring of the cost base impacting employees, vendors and partnerships. A new strategy has been laid for the Company, where focus is on profitably growing market share through direct sales and strategic partnership while strengthening and investing in the technical capabilities as the core foundation for the company.

AltaPay A/S is expected to deliver positive results after the restructuring took place in May due to a strong customer base and a cost base under control.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Revenue		40,346,949	36,847,568
Cost of sales		(4,449,214)	(3,786,029)
Other external expenses		(33,396,867)	(25,498,369)
Gross profit/loss		2,500,868	7,563,170
Staff costs	2	(27,839,936)	(23,597,953)
Depreciation, amortisation and impairment losses	3	(41,817,347)	(3,056,521)
Operating profit/loss		(67,156,415)	(19,091,304)
Other financial income	4	14,110	48,123
Other financial expenses	5	(1,263,886)	(332,643)
Profit/loss before tax		(68,406,191)	(19,375,824)
Tax on profit/loss for the year	6	(1,082,241)	580,040
Profit/loss for the year		(69,488,432)	(18,795,784)
Proposed distribution of profit and loss:			
Retained earnings		(69,488,432)	(18,795,784)
Proposed distribution of profit and loss		(69,488,432)	(18,795,784)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Completed development projects	8	0	25,209,779
Intangible assets	7	0	25,209,779
Other fixtures and fittings, tools and equipment		469,295	981,110
Property, plant and equipment	9	469,295	981,110
Investments in group enterprises		154,000	154,000
Deposits		844,029	831,183
Other financial assets	10	998,029	985,183
Fixed assets		1,467,324	27,176,072
Trade receivables		7,327,008	6,285,171
Receivables from group enterprises		993,738	608,393
Deferred tax		0	1,082,241
Other receivables		570,306	403,904
Prepayments		470,116	202,183
Receivables		9,361,168	8,581,892
Cash		11,213,973	1,266,649
Current assets		20,575,141	9,848,541
Assets		22,042,465	37,024,613

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		87,376,210	1,036,933
Reserve for development expenditure		0	19,142,963
Retained earnings		(78,061,838)	(31,811,872)
Equity		9,314,372	(11,631,976)
Payables to group enterprises		0	4,044,494
Non-current liabilities other than provisions		0	4,044,494
Trade payables		1,408,029	2,824,805
Payables to group enterprises		0	29,818,560
Other payables		11,320,064	11,968,730
Current liabilities other than provisions		12,728,093	44,612,095
Liabilities other than provisions		12,728,093	48,656,589
Equity and liabilities		22,042,465	37,024,613
Going concern	1		
Unrecognised rental and lease commitments	11		
Assets charged and collateral	12		

Statement of changes in equity for 2019

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,036,933	19,142,963	(31,811,872)	(11,631,976)
Increase of capital	86,339,277	0	0	86,339,277
Other entries on equity	0	0	4,095,503	4,095,503
Dissolution of reserves	0	(19,142,963)	19,142,963	0
Profit/loss for the year	0	0	(69,488,432)	(69,488,432)
Equity end of year	87,376,210	0	(78,061,838)	9,314,372

Notes

1 Going concern

The Company has during the year realized a net loss of DKK 69.5m DKK primarily driven by impairment loss on old development projects with no cash impact. The Company has subsequent to year-end been acquired by Fjelsted Rasmussen Invest ApS who has initiated a restructuring of the Company including a capital injection of 17m DKK which together with the existing cash at hand, current budget and forecast is considered to be sufficient to ensure going concern.

The Parent company (Fjeldsted Rasmussen Invest ApS) has furthermore expressed to support Altapay A/S with liquidity if considered necessary.

2 Staff costs

	2019	2018
	DKK	DKK
Wages and salaries	24,941,207	20,930,145
Pension costs	2,619,078	2,247,701
Other staff costs	279,651	420,107
	27,839,936	23,597,953
Average number of full-time employees	47	47

3 Depreciation, amortisation and impairment losses

	2019	2018
	DKK	DKK
Amortisation of intangible assets	6,297,655	2,539,226
Impairment losses on intangible assets	35,007,877	0
Depreciation of property, plant and equipment	511,815	517,295
	41,817,347	3,056,521

4 Other financial income

	2019	2018
	DKK	DKK
Other interest income	1,616	625
Exchange rate adjustments	12,494	47,498
	14,110	48,123

5 Other financial expenses

	2019	2018
	DKK	DKK
Financial expenses from group enterprises	1,183,805	311,574
Other interest expenses	23,241	13,976
Exchange rate adjustments	54,681	5,194
Other financial expenses	2,159	1,899
	1,263,886	332,643

6 Tax on profit/loss for the year

	2019	2018
	DKK	DKK
Change in deferred tax	1,082,241	(1,038,040)
Adjustment concerning previous years	0	458,000
	1,082,241	(580,040)

7 Intangible assets

	Completed development projects DKK
Cost beginning of year	42,672,667
Additions	16,095,753
Cost end of year	58,768,420
Amortisation and impairment losses beginning of year	(17,462,888)
Impairment losses for the year	(35,007,877)
Amortisation for the year	(6,297,655)
Amortisation and impairment losses end of year	(58,768,420)
Carrying amount end of year	0

8 Development projects

Due to the restructuring that took place in the mother company in December 2019 the expected income in the following years has been reduced. The result is that the investment into the Omni Channel Solution has been impaired to zero

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	2,318,165
Cost end of year	2,318,165
Depreciation and impairment losses beginning of year	(1,337,055)
Depreciation for the year	(511,815)
Depreciation and impairment losses end of year	(1,848,870)
Carrying amount end of year	469,295

10 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	154,000	831,183
Additions	0	12,846
Cost end of year	154,000	844,029
Carrying amount end of year	154,000	844,029

11 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	1,412,975	1,412,975

12 Assets charged and collateral

The Company has no assets charged and collateral per 31.12.2019.

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 certain 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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

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
--------------------------------------------------	---------

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 write-downs for bad and doubtful debts.

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.

Prepayments

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

Other financial liabilities

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

PENNEO

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registeret, og informationerne er listet herunder.

“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Michael Thorø Larsen

Revisor

Serienummer: PID:9208-2002-2-710663625765

IP: 188.177.xxx.xxx

2020-08-31 20:07:24Z

NEM ID 

Marianne Søgaard

Direktionsmedlem

Serienummer: PID:9208-2002-2-488767227836

IP: 128.77.xxx.xxx

2020-08-31 20:49:25Z

NEM ID 

Christian Rasmussen

Adm. direktør

Serienummer: PID:9208-2002-2-033142921176

IP: 217.61.xxx.xxx

2020-08-31 20:57:01Z

NEM ID 

Sisse Fjelsted Rasmussen

Bestyrelsesformand

Serienummer: PID:9208-2002-2-857228904193

IP: 62.44.xxx.xxx

2020-09-01 10:28:12Z

NEM ID 

Sisse Fjelsted Rasmussen

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-857228904193

IP: 62.44.xxx.xxx

2020-09-01 10:28:12Z

NEM ID 

Penneo dokumentnøgle: BTIB2-EQVDA-JUE2G-UCZV7-36VSP-LE0QG

Dette dokument er underskrevet digitalt via **Penneo.com**. Signeringsbeviserne i dokumentet er sikret og valideret ved anvendelse af den matematiske hashværdi af det originale dokument. Dokumentet er låst for ændringer og tidsstemplet med et certifikat fra en betroet tredjepart. Alle kryptografiske signeringsbeviser er indlejret i denne PDF, i tilfælde af de skal anvendes til validering i fremtiden.

Sådan kan du sikre, at dokumentet er originalt

Dette dokument er beskyttet med et Adobe CDS certifikat. Når du åbner dokumentet

i Adobe Reader, kan du se, at dokumentet er certificeret af **Penneo e-signature service** <penneo@penneo.com>. Dette er din garanti for, at indholdet af dokumentet er uændret.

Du har mulighed for at efterprøve de kryptografiske signeringsbeviser indlejret i dokumentet ved at anvende Penneos validator på følgende websted: <https://penneo.com/validate>