



Altapay A/S

Gyngemose Parkvej 50
2860 Søborg
CVR No. 31872596

Annual report 2020

The Annual General Meeting adopted the
annual report on 01.07.2021

Christian Rasmussen

Chairman of the General Meeting

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Entity details

Entity

Altapay A/S

Gyngemose Parkvej 50

2860 Søborg

CVR No.: 31872596

Date of foundation: 01.12.2008

Registered office: Gladsaxe

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Marianne Søgaard

Sisse Fjelsted Rasmussen

Christian Rasmussen

Executive Board

Christian Rasmussen, adm. dir.

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 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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, 01.07.2021

Executive Board

Christian Rasmussen
adm. dir.

Board of Directors

Marianne Søgaard

Sisse Fjelsted Rasmussen

Christian Rasmussen

Independent auditor's report

To the shareholders of Altapay A/S

Opinion

We have audited the financial statements of Altapay A/S for the financial year 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 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, 01.07.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Michael Thorø Larsen

State Authorised Public Accountant
Identification No (MNE) mne35823

Lars Dalgaard Agersted

State Authorised Public Accountant
Identification No (MNE) mne46258

Management commentary

Primary activities

AltaPay, headquartered in Denmark, is an internationally focused fintech company within payments with the mission to make payments less complicated. We help our merchants grow and expand their business across payment channels by offering a fully integrated seamless omni-channel experience for online, mobile and in-store payments, creating transparency and reducing the need for manual tasks with one centralized payment platform.

AltaPay's platform automizes, simplifies, and protects the transaction flow for shop owners and global retail and e-commerce companies, supporting and integrating smoothly into the major ERP systems. AltaPay performs as a Payment Service Provider operating under The Payment Card Industry Data Security Standard (PCI DSS).

We develop our own unique technology to service our merchants globally. Our technology is embedded in the wide range of payment networks ranging from cards, wallets, direct bank transfers, direct debit, gift cards, and various installment solutions.

Development in activities and finances

As of May 13th 2020, the Company then named 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. As part of the acquisition, a capital increase of 17m DKK was completed.

During 2020, AltaPay managed to grow considerably despite the negative impact from Covid restrictions, with temporary closure of the majority of the physical stores using our payment platform for card present. The Covid-effect on the card present business was, however, more than offset by strong growth in the eCommerce business, especially due to our ability to support our Nordic merchants with their preferred local payment methods. At the same time, we successfully completed the structural carve out from the former owners. AltaPay's strategic relationship yielded new business in 2020 as well as new partnerships which we see as a strong foundation for continued strong future growth.

We continue to invest in our unique technology. Our development efforts are constantly focusing on building and developing improved solutions for our customers. Concurrently, we prioritize our customers' security by meeting the increased requirements for compliance and security. The implementation of 3D secure version 2 and a full platform migration to AWS were among key development milestone projects in 2020.

2020 concludes with a net profit of 4m DKK, which is a very satisfactory result in a year with Covid and change of ownership. The result has been delivered by hard work and dedication from a fantastic skilled team having recovered from the restructuring of the business.

AltaPay ends the year in a strong financial position with an improved equity, a solid balance sheet and sufficient cash at hand to support further investments and growth in our technology, our people and our customer offerings.

Outlook

AltaPay will continue to invest significantly in payments infrastructure and grow the team of developers in order to drive effectiveness and automation within payments to the benefits of our customers.

We expect a positive market growth in the coming year and believe that our new strategic partnerships will support us to win marketshare in 2021, whereby we estimate double digit topline growth for the coming years. We will continue to invest in development 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 2020

| | Notes | 2020 DKK | 2019 DKK |
|--|-------|-------------------|---------------------|
| Gross profit/loss | | 27,772,437 | 2,500,868 |
| Staff costs | 1 | (21,753,918) | (27,839,936) |
| Depreciation, amortisation and impairment losses | 2 | (1,681,451) | (41,817,347) |
| Operating profit/loss | | 4,337,068 | (67,156,415) |
| Other financial income | 3 | 3,515 | 14,110 |
| Other financial expenses | 4 | (328,051) | (1,263,886) |
| Profit/loss before tax | | 4,012,532 | (68,406,191) |
| Tax on profit/loss for the year | 5 | 0 | (1,082,241) |
| Profit/loss for the year | | 4,012,532 | (69,488,432) |
| Proposed distribution of profit and loss | | | |
| Retained earnings | | 4,012,532 | (69,488,432) |
| Proposed distribution of profit and loss | | 4,012,532 | (69,488,432) |

Balance sheet at 31.12.2020

Assets

| | Notes | 2020 DKK | 2019 DKK |
|--|-------|-------------------|-------------------|
| Completed development projects | 7 | 10,084,792 | 0 |
| Intangible assets | 6 | 10,084,792 | 0 |
| Other fixtures and fittings, tools and equipment | | 153,368 | 469,295 |
| Property, plant and equipment | 8 | 153,368 | 469,295 |
| Investments in group enterprises | | 154,000 | 154,000 |
| Deposits | | 504,159 | 844,029 |
| Financial assets | 9 | 658,159 | 998,029 |
| Fixed assets | | 10,896,319 | 1,467,324 |
| Trade receivables | | 6,020,337 | 4,867,999 |
| Receivables from group enterprises | | 4,584,827 | 993,738 |
| Other receivables | | 0 | 570,306 |
| Income tax receivable | | 56,250 | 2,459,009 |
| Prepayments | | 206,241 | 470,116 |
| Receivables | | 10,867,655 | 9,361,168 |
| Cash | | 18,953,416 | 11,213,973 |
| Current assets | | 29,821,071 | 20,575,141 |
| Assets | | 40,717,390 | 22,042,465 |

Equity and liabilities

| | Notes | 2020 DKK | 2019 DKK |
|--|--------------|---------------------|---------------------|
| Contributed capital | | 101,501,210 | 87,376,210 |
| Share premium | | 2,875,000 | 0 |
| Reserve for development expenditure | | 10,084,792 | 0 |
| Retained earnings | | (84,134,098) | (78,061,838) |
| Equity | | 30,326,904 | 9,314,372 |
| Trade payables | | 2,942,290 | 1,408,029 |
| Other payables | | 7,448,196 | 11,320,064 |
| Current liabilities other than provisions | | 10,390,486 | 12,728,093 |
| Liabilities other than provisions | | 10,390,486 | 12,728,093 |
| Equity and liabilities | | 40,717,390 | 22,042,465 |
| Unrecognised rental and lease commitments | 10 | | |
| Contingent liabilities | 11 | | |
| Assets charged and collateral | 12 | | |

Statement of changes in equity for 2020

| | Contributed capital DKK | Share premium DKK | Reserve for development expenditure DKK | Retained earnings DKK | Total DKK |
|---------------------------|-------------------------------|-------------------------|--|-----------------------------|-------------------|
| Equity beginning of year | 87,376,210 | 0 | 0 | (78,061,838) | 9,314,372 |
| Increase of capital | 14,125,000 | 2,875,000 | 0 | 0 | 17,000,000 |
| Transfer to reserves | 0 | 0 | 10,084,792 | (10,084,792) | 0 |
| Profit/loss for the year | 0 | 0 | 0 | 4,012,532 | 4,012,532 |
| Equity end of year | 101,501,210 | 2,875,000 | 10,084,792 | (84,134,098) | 30,326,904 |

Notes

1 Staff costs

| | 2020 | 2019 |
|---------------------------------------|-------------------|-------------------|
| | DKK | DKK |
| Wages and salaries | 19,417,885 | 24,941,207 |
| Pension costs | 2,066,528 | 2,619,078 |
| Other social security costs | 183,671 | 169,013 |
| Other staff costs | 85,834 | 110,638 |
| | 21,753,918 | 27,839,936 |
| Average number of full-time employees | 38 | 47 |

2 Depreciation, amortisation and impairment losses

| | 2020 | 2019 |
|--|------------------|-------------------|
| | DKK | DKK |
| Amortisation of intangible assets | 1,327,792 | 6,297,655 |
| Depreciation of property, plant and equipment | 353,659 | 511,815 |
| Impairment losses on property, plant and equipment | 0 | 35,007,877 |
| | 1,681,451 | 41,817,347 |

3 Other financial income

| | 2020 | 2019 |
|---------------------------|--------------|---------------|
| | DKK | DKK |
| Other interest income | 25,204 | 1,616 |
| Exchange rate adjustments | (21,689) | 12,494 |
| | 3,515 | 14,110 |

4 Other financial expenses

| | 2020 | 2019 |
|---|----------------|------------------|
| | DKK | DKK |
| Financial expenses from group enterprises | 0 | 50,007 |
| Other interest expenses | 96,008 | 23,241 |
| Exchange rate adjustments | 232,323 | 54,681 |
| Other financial expenses | (280) | 1,135,957 |
| | 328,051 | 1,263,886 |

5 Tax on profit/loss for the year

| | 2020 DKK | 2019 DKK |
|------------------------|-------------|------------------|
| Current tax | 1,253,077 | 0 |
| Change in deferred tax | (1,253,077) | 1,082,241 |
| | 0 | 1,082,241 |

6 Intangible assets

| | Completed development projects DKK |
|---|---|
| Additions | 11,412,585 |
| Cost end of year | 11,412,585 |
| Amortisation for the year | (1,327,792) |
| Amortisation and impairment losses end of year | (1,327,792) |
| Carrying amount end of year | 10,084,793 |

7 Development projects

Development projects consist of the preparation of their IT platform.

8 Property, plant and equipment

| | Other fixtures and fittings, tools and equipment DKK |
|---|--|
| Cost beginning of year | 2,318,165 |
| Additions | 37,732 |
| Cost end of year | 2,355,897 |
| Depreciation and impairment losses beginning of year | (1,848,870) |
| Depreciation for the year | (353,659) |
| Depreciation and impairment losses end of year | (2,202,529) |
| Carrying amount end of year | 153,368 |

9 Financial assets

| | Investments in group enterprises DKK | Deposits DKK |
|------------------------------------|---|-----------------|
| Cost beginning of year | 154,000 | 844,029 |
| Disposals | 0 | (339,870) |
| Cost end of year | 154,000 | 504,159 |
| Carrying amount end of year | 154,000 | 504,159 |

10 Unrecognised rental and lease commitments

| | 2020 DKK | 2019 DKK |
|--|------------------|------------------|
| Liabilities under rental or lease agreements until maturity in total | 1,307,550 | 1,412,975 |

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 31.12.2020.

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.

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 writedowns for bad and doubtful debts.

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 cash in hand and bank deposits.

Other financial liabilities

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