
Inpay A/S

Toldbodgade 55B 6., DK-1253 Copenhagen K

Annual Report for 1 January - 31 December 2021

CVR No 32 31 77 31

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
28/03 2022

Jens Heurlin
Chairman of the General
Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Inpay A/S for the financial year 1 January - 31 December 2021.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

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

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 28 March 2022

Executive Board

Thomas Jul Pfeiffer
CEO

Board of Directors

Jan Ovesen
Chairman

Steen Trondhjem Nielsen

Ulrich Hejle

Jacob Tackmann Thomsen

Independent Auditor's Report

To the Shareholder of Inpay A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Inpay A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

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

Independent Auditor's Report

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 about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

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

Independent Auditor's Report

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

Ringsted, 28 March 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Brian Petersen
statsautoriseret revisor
mne28701

Benny Voss
statsautoriseret revisor
mne15009

Company Information

The Company

Inpay A/S
Toldbodgade 55B 6.
DK-1253 Copenhagen K

CVR No: 32 31 77 31
Financial period: 1 January - 31 December
Incorporated: 20 March 2013
Financial year: 9th financial year
Municipality of reg. office: Copenhagen

Board of Directors

Jan Ovesen, Chairman
Steen Trondhjem Nielsen
Ulrich Hejle
Jacob Tackmann Thomsen

Executive Board

Thomas Jul Pfeiffer

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Eventyrvej 16
DK-4100 Ringsted

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK	2017 TDKK
Key figures					
Profit/loss					
Operating profit/loss	77.190	62.758	36.501	-3.376	-7.394
Profit/loss before financial income and expenses	77.186	66.030	36.501	-3.376	-7.394
Net financials	16.133	2.266	-8.611	-8.961	3.357
Net profit/loss for the year	74.381	53.789	20.385	-9.334	-2.459
Balance sheet					
Balance sheet total	514.792	410.126	227.774	172.719	63.299
Equity	11.090	91.424	37.635	17.250	17.044
Ratios					
Return on assets	15,0%	16,1%	16,0%	-2,0%	-11,7%
Solvency ratio	2,2%	22,3%	16,5%	10,0%	26,9%
Return on equity	145,1%	83,4%	74,3%	-54,4%	-13,5%

Management's Review

Inpay specializes in offering fast and secure cross-border payments in multiple currencies as an alternative to SWIFT bank transfers and other less advanced methods of cross-border payments. With cutting-edge technology and a network covering more than 100 countries, financial institutions and companies can make international payments as quickly and easily as a domestic bank transfer. The annual report reflects a satisfactory execution of Inpay's business plan and strategy – which have focus on:

- accelerating international growth
- performing best in class with regards to compliance
- securing competitive prices
- and strengthening product development as well as customer service

These are key elements in Inpay's contribution to making international financial transactions easier for businesses and private persons who wants to impact economic growth, development, and financial inclusion.

Inpay continues to adhere to the best practices of preventing misuse and money laundering. For more info: <https://www.inpay.com>

Key activities

Inpay's annual report for the period 01.01.2021 – 31.12.2021 includes the results of the Company's activities.

Leadership

During the year, the Company has upgraded the leadership team to add sufficient experience and track records for onwards targets and expectations. Several strong profiles have been added to the new executive team, and in collaboration with the remaining members of the former executive team, the Company believes that this new team jointly will be able to effectively execute on the opportunity that lies ahead for Inpay and continue to develop and grow the company as outlined below.

Development in the year

The income statement of the Company for 2021 shows a profit of DKK 74,381,427. And on 31 December 2021 the balance sheet of the Company shows equity of DKK 11,089,949. Management finds the result for the year very satisfying.

Inpay has had an increasingly strong profile on the Nordic fintech scene since it was founded in 2008 – and in 2021 Inpay was recognised by the Financial Times as one of the fastest growing companies in Europe, the fastest growing company in Denmark 2017-2020, and the sixth fastest growing fintech in Europe. Inpay thereby enters a overall position as number 87 on the list of fastest growing companies, which is the highest position ever of any Danish company on the list.

Management's Review

The past year and follow-up on development expectations from last year

The development in operating profit has been in line with the budget for the year.

Operating risks and financial risks

As a payment service provider, the Company is inherently exposed to several risks common to the financial services industry, including fraud, AML/CTF compliance risks and risks related to operational stability and security (IT). In addition, as the Company facilitates cross-border payments, counterparty and FX risks are inherent in the business model. A wide range of controls and procedures are implemented to mitigate these risks. The company is continuously working to strengthen its Governance, Risk & Compliance framework (GRC), and employs a Three Lines of Defence operating model.

Targets and expectations for the year ahead

During 2021, the Company has launched numerous new business initiatives which Management expects to have a positive impact on both liquidity and the income statement for the financial year 2022. As a result of these initiatives, Management aims to continue the increase in revenue and operating profit for 2022, with a goal to grow by a double digit rate.

Research and development

The Company is continuously developing its different lines of businesses with new products and solutions. Aforementioned investments are planned to continue in 2022, including but not limited to investments into technical innovation, Group Risk Compliance and staff.

External environment

As a highly digitalized organisation, The Company has a limited impact on its external environment in terms of sustainability. However, being a member of the global financial community, the Company has a fiduciary duty to fight financial crime. Financial crime has a destructive and devastating effect on the world community; therefore, the Company has made it a priority to contribute to the safeguarding of the global financial system.

Accordingly, the Company will take all reasonable and appropriate measures to prevent persons engaged in money laundering, fraud, or other financial crime, including the financing of terrorism or terrorist operations from utilizing the Company's products and services.

Intellectual capital resources

The continued success of the Company, being a fintech organisation, relies heavily on internal intellectual resources. Primarily these are closely linked to highly skilled staff within especially the areas of IT development, compliance, and regulatory areas. Proprietary and inhouse built operating systems play a key role in the product offering. The Company is aware of the exposure and aims to document all key processes and procedures to mitigate the risk.

Management's Review

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 31 December 2021 of the Company and the results of the activities of the Company for the financial year for 2021 have not been affected by any unusual events.

Subsequent events

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

Ukraine

The human tragedy unfolding in Ukraine has caught the attention of the world – and while Inpay has no business in Russia, we support the sanctions being imposed as a deterrent of Russia's continued invasion of the country. As we do not operate in Russia, the situation is not expected to directly impact our business to any significant degree. We will continue to monitor developments closely with a view to ensuring full compliance with the sanctions.

Based on developments in Ukraine to date, management does not expect the Company's business to be significantly influenced by the situation. Measures are put in place to ensure that sanction lists are continuously reviewed and implemented, and specific actions are taken to ensure that no breaches occur even inadvertently.

At Inpay we pride ourselves with our highly skilled, diverse and multi-cultural workforce. We take every measure to support any and all our employees and their families, regardless of nationality, if and when the need for support in relation to the on-going conflict in Ukraine arises.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Gross profit/loss		103.916.726	70.234.024
Staff expenses	2	-26.726.329	-3.975.583
Other operating expenses		<u>-4.311</u>	<u>-227.987</u>
Profit/loss before financial income and expenses	1	77.186.086	66.030.454
Income from investments in subsidiaries		7.244.672	2.579.816
Financial income	3	8.951.918	1.632.453
Financial expenses	4	<u>-64.039</u>	<u>-1.946.007</u>
Profit/loss before tax		93.318.637	68.296.716
Tax on profit/loss for the year	5	<u>-18.937.210</u>	<u>-14.508.074</u>
Net profit/loss for the year		<u>74.381.427</u>	<u>53.788.642</u>

Balance Sheet 31 December

Assets

	Note	2021 DKK	2020 DKK
Investments in subsidiaries	6	16.376.280	8.038.463
Fixed asset investments		16.376.280	8.038.463
Fixed assets		16.376.280	8.038.463
Receivables from group enterprises		87.652.735	50.511.254
Other receivables		12.662.787	13.158.735
Prepayments	7	167.559	50.315
Receivables		100.483.081	63.720.304
Cash at bank and in hand	8	397.932.203	338.367.449
Currents assets		498.415.284	402.087.753
Assets		514.791.564	410.126.216

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Share capital		14.500.000	14.500.000
Reserve for net revaluation under the equity method		12.326.272	3.980.431
Retained earnings		-15.736.323	72.943.358
Equity		<u>11.089.949</u>	<u>91.423.789</u>
Funds payable and amounts due to customers		306.881.880	286.904.730
Payables to group enterprises		156.809.432	12.896.705
Corporation tax		18.145.622	14.508.054
Other payables		21.864.681	4.392.938
Short-term debt		<u>503.701.615</u>	<u>318.702.427</u>
Debt		<u>503.701.615</u>	<u>318.702.427</u>
Liabilities and equity		<u>514.791.564</u>	<u>410.126.216</u>
Distribution of profit	9		
Contingent assets, liabilities and other financial obligations	10		
Related parties	11		
Accounting Policies	12		

Statement of Changes in Equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	14.500.000	3.980.431	72.943.358	91.423.789
Extraordinary dividend paid	0	0	-156.600.000	-156.600.000
Other equity movements	0	1.093.145	791.588	1.884.733
Net profit/loss for the year	0	7.252.696	67.128.731	74.381.427
Equity at 31 December	14.500.000	12.326.272	-15.736.323	11.089.949

Other equity movements of DKK 791.588 relates to tax benefit of an equity based warrant scheme established for the employees of Inpay A/S, in a different Company in the Group.

Notes to the Financial Statements

	2021 DKK	2020 DKK
1 Special items		
Write-downs of current assets, that exceed normal write-downs	6.154.629	26.811.353
Employee bonuses	18.250.768	0
	24.405.397	26.811.353

The Company has written down assets relating to bank accounts classified as frozen accounts, as Management has deemed the assets irrecoverable. Frozen accounts relate to transactions which are retained "pending compliance control" or from funds that have become inaccessible for other reasons, such as fx. financial or technical difficulties at third party providers. In such cases, the funds are "frozen" in Inpay's accounts.

The write-down is based on communication with the Company's legal advisors.

Furthermore, for 2021 extraordinary employee bonuses of DKK 18.250.768 have been accrued at 31 December 2021. The bonuses are recognized under staff expenses in the income statement.

	2021 DKK	2020 DKK
2 Staff expenses		
Wages and salaries	26.503.288	3.962.005
Pensions	126.360	8.424
Other social security expenses	38.884	5.154
Other staff expenses	57.797	0
	26.726.329	3.975.583
Including remuneration to the Executive Board and Board of Directors of:		
Executive Board	13.964.130	5.304.560
Board of Directors	175.000	175.000
	14.139.130	5.479.560
Average number of employees	4	1

A part of the remuneration to the Executive Board and Board of Directors have been incurred in the subsidiary Inpay Services ApS and invoiced to the Company. This part is therefore presented as other external expenses and not staff expenses in the annual report, but is still included in the remuneration to the Executive Board and Board of Directors above.

Notes to the Financial Statements

	<u>2021</u> DKK	<u>2020</u> DKK
3 Financial income		
Interest received from group enterprises	4.354.903	1.632.453
Exchange gains	<u>4.597.015</u>	<u>0</u>
	<u>8.951.918</u>	<u>1.632.453</u>
4 Financial expenses		
Other financial expenses	64.039	14.212
Exchange adjustments	<u>0</u>	<u>1.931.795</u>
	<u>64.039</u>	<u>1.946.007</u>
5 Tax on profit/loss for the year		
Current tax for the year	18.937.210	14.508.054
Adjustment of tax concerning previous years	<u>0</u>	<u>20</u>
	<u>18.937.210</u>	<u>14.508.074</u>

Notes to the Financial Statements

	2021 DKK	2020 DKK
6 Investments in subsidiaries		
Cost at 1 January	4.058.032	4.069.503
Additions for the year	0	23.034
Disposals for the year	-8.024	-34.505
Cost at 31 December	<u>4.050.008</u>	<u>4.058.032</u>
Value adjustments at 1 January	3.980.431	1.400.889
Disposals for the year	210	485
Exchange adjustment	0	-759
Net profit/loss for the year	7.252.486	2.579.816
Other equity movements, net	1.093.145	0
Value adjustments at 31 December	<u>12.326.272</u>	<u>3.980.431</u>
Carrying amount at 31 December	<u>16.376.280</u>	<u>8.038.463</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Inpay Services ApS	Copenhagen	DKK 4.000.000	100%
Inpay Solutions ApS	Copenhagen	DKK 50.000	100%
Inpay Services UK Limited	London	GBP 1	100%

7 Prepayments

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

8 Cash at bank and in hand

The Company's total cash at bank and in hand amounts to DKK 397.932k (2020: DKK 338.367k). DKK 6.000k (2020: DKK 24.081k) of this amount are the Company's own bank deposits, and the remaining DKK 391.932k (2020: DKK 314.286k) relates to separate customer accounts with external banks and balances with third parties.

Customer accounts are separated from the Company's own funds by placement in escrow accounts with credit institutions.

Notes to the Financial Statements

	<u>2021</u>	<u>2020</u>
	DKK	DKK
9 Distribution of profit		
Extraordinary dividend paid	156.600.000	0
Reserve for net revaluation under the equity method	7.252.696	2.579.816
Retained earnings	<u>-89.471.269</u>	<u>51.208.826</u>
	<u>74.381.427</u>	<u>53.788.642</u>

10 Contingent assets, liabilities and other financial obligations

Contingent liabilities

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

Other than that, there are no security and contingent liabilities at 31 December 2021.

Notes to the Financial Statements

11 Related parties

	<u>Basis</u>
Controlling interest	
Inpay Holding ApS	Ultimate Parent Company
Inpay HolCo ApS	Parent Company

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The company is included in the consolidated report for the parent company

<u>Name</u>	<u>Place of registered office</u>
Inpay Holding ApS	Copenhagen

Notes to the Financial Statements

12 Accounting Policies

The Annual Report of Inpay A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Inpay Holding ApS, the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Inpay Holding ApS, the Company has not prepared a cash flow statement.

Recognition and measurement

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

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

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

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

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Notes to the Financial Statements

12 Accounting Policies (continued)

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenues are recognised at the rate of completion of the paymentservices, which means that revenue equals the selling price of the service completed for the year, and when it is probable that the economic benefits, including payments, will flow to the Company.

Other external expenses

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

Gross profit/loss

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

Staff expenses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

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

Notes to the Financial Statements

12 Accounting Policies (continued)

Financial income and expenses

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

Tax on profit/loss for the year

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

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

Balance Sheet

Investments in subsidiaries

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

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

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

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

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

Notes to the Financial Statements

12 Accounting Policies (continued)

Deferred tax assets and liabilities

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

Current tax receivables and liabilities

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

Funds payable and amounts due to customers and other debt

Funds payable and amounts due to customers primarily comprise transaction payables to the Company's customers (merchants) relating to normal transactions with those. The balance comprises normal purchases of goods and services on credit terms. These payables are measured at amortised cost usually corresponding to nominal value.

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

Financial Highlights

Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$