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# ***Inpay Holding ApS***

Toldbodgade 55 B, 6., Copenhagen, DK-1253  
Copenhagen K

## **Consolidated Financial Statements for 2021**

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CVR No 35 05 22 83

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



**pwc**

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## **Management's Statement**

The Executive Board has today considered and adopted the Annual Report of Inpay Holding ApS for the financial year 1 January - 31 December 2021.

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

In my opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2021.

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

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

Copenhagen, 28 March 2022

### **Executive Board**

Jacob Tackmann Thomsen

# Independent Auditor's Report

To the Shareholder of Inpay Holding ApS

## Opinion

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

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Inpay Holding ApS 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, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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 Consolidated Financial Statements and the Parent Company 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.

# Independent Auditor's Report

## Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and 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 Group or 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 and the Group'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 Group's and 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

## Independent Auditor's Report

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Nikolaj Frausing Borch  
statsautoriseret revisor  
mne44062

## **Company Information**

### **The Company**

Inpay Holding ApS  
Toldbodgade 55 B, 6.  
Copenhagen  
DK-1253

CVR No: 35 05 22 83  
Financial period: 1 January - 31 December  
Municipality of reg. office: Copenhagen

### **Board of Directors**

Jacob Tackmann Thomsen

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Eventyrvej 16  
DK-4100 Ringsted

# Financial Highlights

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

	Group		
	2021	2020	2019
	TDKK	TDKK	TDKK
<b>Key figures</b>			
<b>Profit/loss</b>			
Gross profit/loss	164.491	104.309	52.026
Profit/loss before financial income and expenses	5.846	37.006	15.173
Net financials	3.372	-3.379	-4.737
Net profit/loss for the year	8.708	28.248	8.020
<b>Balance sheet</b>			
Balance sheet total	439.184	400.389	244.499
Equity	58.238	47.645	19.397
<b>Cash flows</b>			
Cash flows from:			
- operating activities	59.774	155.073	65.091
- investing activities	-2.921	-18.168	-4.528
including investment in property, plant and equipment	-1.111	-1.559	-557
Change in cash and cash equivalents for the year	56.853	136.905	60.563
Number of employees	102	61	42
<b>Ratios</b>			
Return on assets	1,3%	9,2%	6,2%
Solvency ratio	13,3%	11,9%	7,9%
Return on equity	16,4%	84,3%	52,1%

According to section 128(4) of the Danish Financial Statements Act, the group has omitted to disclose the financial highlights for the financial years 2017-2018.



# Management's Review

## Key activities

The object of the Group is to provide payment services through electronic money transfers as a financial undertaking in accordance with the Group's licence from the Danish Financial Supervisory Authority as a Payments Institution.

## Development in the year

The income statement of the Group for 2021 shows a profit of TDKK 8.708, and at 31 December 2021 the balance sheet of the Group shows equity of TDKK 58.238. Management find the result for the year satisfactory.

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

The development in revenue has been in line with the budget for the year, but operating profit has been significantly impacted by non-recurring investments during 2021.

## *Operating risks and financial risks*

As a payment service provider, the Group 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 Group 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 Group is continuously working on strengthen of its Governance, Risk & Compliance framework, and Three Lines of Defence operating model.

## Targets and expectations for the year ahead

The Group has launched numerous new business initiatives which will 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 facilitate an increase in revenue and operating profit for 2022, with a goal to grow by a double digit rate.

## Research and development

The Group is continuously developing its different lines of businesses with new products and solutions.

# Management's Review

## External environment

As a highly digitalized organisation, The Group has a limited impact on its external environment in terms of sustainability. However, being a member of the global financial community, the Group fiduciary duty to fight financial crime. Financial crime has a destructive and devastating effect on the world community; therefore, the Group has made it a priority to contribute to the safeguarding of the global financial system. Accordingly, the Group will take all reasonable and appropriate measures to prevent persons engaged in money laundering, fraud, or other financial crime, including the financing of terrorists, or terrorist operations from utilizing the Group's products and services.

## Intellectual capital resources

The continued success the Group 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 Group is aware of the exposure and aims to document all key processes and procedures to mitigate the risk.

## 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 Group and the results of the activities and cash flows of the Group 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.

In the light of the current situation in Ukraine, Inpay has considered potential impacts on the Group. Based on the development so far, Management doesn't expect the Group to be significantly influenced by the situation. Sanction lists are continuously reviewed, and actions are taken to ensure that no breaches occur.

## Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2021 TDKK	2020 TDKK	2021 TDKK	2020 TDKK
<b>Gross profit/loss</b>		<b>164.491</b>	<b>104.309</b>	<b>-54</b>	<b>-134</b>
Staff expenses	1	-141.603	-62.603	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-15.431	-4.470	0	0
Other operating expenses		-1.611	-230	0	0
<b>Profit/loss before financial income and expenses</b>	<b>3</b>	<b>5.846</b>	<b>37.006</b>	<b>-54</b>	<b>-134</b>
Income from investments in subsidiaries		0	0	9.969	29.351
Financial income	4	4.892	448	2.572	1.155
Financial expenses	5	-1.520	-3.827	-4.136	-2.436
<b>Profit/loss before tax</b>		<b>9.218</b>	<b>33.627</b>	<b>8.351</b>	<b>27.936</b>
Tax on profit/loss for the year	6	-510	-5.379	357	312
<b>Net profit/loss for the year</b>		<b>8.708</b>	<b>28.248</b>	<b>8.708</b>	<b>28.248</b>

# Balance Sheet 31 December

## Assets

	Note	Group		Parent Company	
		2021 TDKK	2020 TDKK	2021 TDKK	2020 TDKK
Completed development projects		8.503	7.067	0	0
Development projects in progress		2.280	16.609	0	0
<b>Intangible assets</b>	7	<b>10.783</b>	<b>23.676</b>	<b>0</b>	<b>0</b>
Other fixtures and fittings, tools and equipment		797	556	0	0
Leasehold improvements		1.276	1.133	0	0
<b>Property, plant and equipment</b>	8	<b>2.073</b>	<b>1.689</b>	<b>0</b>	<b>0</b>
Investments in subsidiaries	9	0	0	0	98.980
Deposits	10	0	27	0	0
<b>Fixed asset investments</b>		<b>0</b>	<b>27</b>	<b>0</b>	<b>98.980</b>
<b>Fixed assets</b>		<b>12.856</b>	<b>25.392</b>	<b>0</b>	<b>98.980</b>
Trade receivables		628	2.222	0	0
Receivables from group enterprises		0	0	117.205	18.651
Other receivables		20.528	24.163	0	0
Deferred tax asset	14	0	0	59	91
Corporation tax		0	1.416	390	1.921
Prepayments	11	3.101	1.978	0	0
<b>Receivables</b>		<b>24.257</b>	<b>29.779</b>	<b>117.654</b>	<b>20.663</b>
<b>Cash at bank and in hand</b>	12	<b>402.071</b>	<b>345.218</b>	<b>1.070</b>	<b>80</b>
<b>Currents assets</b>		<b>426.328</b>	<b>374.997</b>	<b>118.724</b>	<b>20.743</b>
<b>Assets</b>		<b>439.184</b>	<b>400.389</b>	<b>118.724</b>	<b>119.723</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	Group		Parent Company	
		2021 TDKK	2020 TDKK	2021 TDKK	2020 TDKK
Share capital		4.000	4.000	4.000	4.000
Reserve for net revaluation under the equity method		0	0	0	54.198
Reserve for development costs		8.410	18.467	0	0
Retained earnings		45.828	25.178	54.238	-10.553
<b>Equity</b>		<b>58.238</b>	<b>47.645</b>	<b>58.238</b>	<b>47.645</b>
Provision for deferred tax	14	1.120	2.495	0	0
Provisions relating to investments in group enterprises		0	0	45.562	0
<b>Provisions</b>		<b>1.120</b>	<b>2.495</b>	<b>45.562</b>	<b>0</b>
Other payables		0	3.659	0	0
<b>Long-term debt</b>	15	<b>0</b>	<b>3.659</b>	<b>0</b>	<b>0</b>
Credit institutions		0	262	0	0
Prepayments received from customers		2.027	1.212	0	0
Trade payables		9.571	8.021	70	70
Funds payable and amounts due to customers		306.882	286.905	0	0
Payables to group enterprises		0	0	14.287	41.141
Payables to owners and Management		0	153	0	153
Other payables	15	61.346	50.037	567	30.714
<b>Short-term debt</b>		<b>379.826</b>	<b>346.590</b>	<b>14.924</b>	<b>72.078</b>
<b>Debt</b>		<b>379.826</b>	<b>350.249</b>	<b>14.924</b>	<b>72.078</b>
<b>Liabilities and equity</b>		<b>439.184</b>	<b>400.389</b>	<b>118.724</b>	<b>119.723</b>
Distribution of profit	13				
Contingent assets, liabilities and other financial obligations	18				
Related parties	19				
Accounting Policies	20				

## Statement of Changes in Equity

### Group

	Share capital	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	4.000	0	18.467	25.178	47.645
Other equity movements	0	0	0	1.885	1.885
Development costs for the year	0	0	-10.057	10.057	0
Net profit/loss for the year	0	0	0	8.708	8.708
<b>Equity at 31 December</b>	<b>4.000</b>	<b>0</b>	<b>8.410</b>	<b>45.828</b>	<b>58.238</b>

### Parent Company

Equity at 1 January	4.000	54.198	0	-10.553	47.645
Other equity movements	0	1.885	0	0	1.885
Net profit/loss for the year	0	-56.083	0	64.791	8.708
<b>Equity at 31 December</b>	<b>4.000</b>	<b>0</b>	<b>0</b>	<b>54.238</b>	<b>58.238</b>

Other equity movements of TDKK 1.885 relates to tax benefit of an equity based warrant scheme established for the employees of the Group, in Inpay ManCo ApS.

## Cash Flow Statement 1 January - 31 December

	Note	Group	
		2021 TDKK	2020 TDKK
Net profit/loss for the year		8.708	28.248
Adjustments	16	14.076	13.455
Change in working capital	17	32.203	116.826
<b>Cash flows from operating activities before financial income and expenses</b>		<b>54.987</b>	<b>158.529</b>
Financial income		4.892	447
Financial expenses		-1.521	-3.820
<b>Cash flows from ordinary activities</b>		<b>58.358</b>	<b>155.156</b>
Corporation tax paid		1.416	-83
<b>Cash flows from operating activities</b>		<b>59.774</b>	<b>155.073</b>
Purchase of intangible assets		-1.810	-16.609
Purchase of property, plant and equipment		-1.111	-1.559
<b>Cash flows from investing activities</b>		<b>-2.921</b>	<b>-18.168</b>
<b>Change in cash and cash equivalents</b>		<b>56.853</b>	<b>136.905</b>
Cash and cash equivalents at 1 January		345.218	208.313
<b>Cash and cash equivalents at 31 December</b>		<b>402.071</b>	<b>345.218</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand *		402.071	345.218
<b>Cash and cash equivalents at 31 December</b>		<b>402.071</b>	<b>345.218</b>

See note 12 for more details regarding cash.

## Notes to the Financial Statements

	Group		Parent Company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
<b>1 Staff expenses</b>				
Wages and salaries	138.184	60.690	0	0
Pensions	529	307	0	0
Other social security expenses	570	436	0	0
Other staff expenses	2.320	1.170	0	0
	<b>141.603</b>	<b>62.603</b>	<b>0</b>	<b>0</b>
<b>Average number of employees</b>	<b>102</b>	<b>61</b>	<b>0</b>	<b>0</b>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

	Group		Parent Company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
<b>2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment</b>				
Amortisation of intangible assets	1.850	1.883	0	0
Depreciation of property, plant and equipment	726	468	0	0
Impairment of intangible assets	12.855	2.118	0	0
	<b>15.431</b>	<b>4.469</b>	<b>0</b>	<b>0</b>



## Notes to the Financial Statements

	Group		Parent Company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
<b>3 Special items</b>				
Impairment of intangible assets	12.855	0	0	0
Write-downs of current assets, that exceed normal write-downs	6.155	26.811	0	0
Employee bonuses	27.689	0	0	0
	<b>46.699</b>	<b>26.811</b>	<b>0</b>	<b>0</b>

Due to a change in strategy for the Group, impairment of intangible assets of TDKK 12.855 have been recognized during the year.

The Group 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 Group's legal advisors.

Furthermore, for 2021 extraordinary employee bonuses of TDKK 27.689 have been accrued at 31 December 2021. The bonuses are recognized under staff expenses in the income statement.

	Group		Parent Company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
<b>4 Financial income</b>				
Interest received from group enterprises	0	0	2.570	1.155
Other financial income	225	416	0	0
Exchange adjustments	4.667	32	2	0
	<b>4.892</b>	<b>448</b>	<b>2.572</b>	<b>1.155</b>

## Notes to the Financial Statements

	Group		Parent Company	
	2021 TDKK	2020 TDKK	2021 TDKK	2020 TDKK
<b>5 Financial expenses</b>				
Interest paid to group enterprises	0	0	3.307	855
Other financial expenses	1.503	1.907	829	1.570
Exchange adjustments, expenses	17	1.909	0	0
Exchange loss	0	11	0	11
	<b>1.520</b>	<b>3.827</b>	<b>4.136</b>	<b>2.436</b>
<b>6 Tax on profit/loss for the year</b>				
Current tax for the year	0	146	-389	-360
Deferred tax for the year	510	4.911	32	53
Adjustment of tax concerning previous years	0	322	0	-5
	<b>510</b>	<b>5.379</b>	<b>-357</b>	<b>-312</b>

## Notes to the Financial Statements

### 7 Intangible assets

Group	Completed development projects	Development projects in progress
	TDKK	TDKK
Cost at 1 January	34.866	18.727
Additions for the year	402	1.408
Transfers for the year	8.055	-8.055
Cost at 31 December	<u>43.323</u>	<u>12.080</u>
Impairment losses and amortisation at 1 January	27.799	2.118
Impairment losses for the year	5.171	7.682
Amortisation for the year	1.850	0
Impairment losses and amortisation at 31 December	<u>34.820</u>	<u>9.800</u>
<b>Carrying amount at 31 December</b>	<b><u>8.503</u></b>	<b><u>2.280</u></b>
Amortised over	<u>5 years</u>	

The Group's development projects primarily relate to own developed IT systems and business models at the "in progress" and "completed" stages. The capitalised development costs are attributable to the development of new payment service software, hereunder supporting modules including internal control and compliance software.

# Notes to the Financial Statements

## 8 Property, plant and equipment

### Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	TDKK	TDKK
Cost at 1 January	1.363	1.547
Additions for the year	758	353
Disposals for the year	-263	0
Cost at 31 December	<u>1.858</u>	<u>1.900</u>
Impairment losses and depreciation at 1 January	807	414
Depreciation for the year	516	210
Reversal of impairment and depreciation of sold assets	-262	0
Impairment losses and depreciation at 31 December	<u>1.061</u>	<u>624</u>
<b>Carrying amount at 31 December</b>	<b><u>797</u></b>	<b><u>1.276</u></b>

## Notes to the Financial Statements

	<b>Parent Company</b>	
	2021	2020
	TDKK	TDKK
<b>9 Investments in subsidiaries</b>		
Cost at 1 January	44.782	44.782
Cost at 31 December	44.782	44.782
Value adjustments at 1 January	54.198	-2.496
Net profit/loss for the year	9.969	29.351
Dividend to the Parent Company	-156.600	0
Group contributions provided to subsidiaries	0	27.343
Change in intercompany profit	-76.150	0
Other adjustments	1.885	0
Value adjustments at 31 December	-166.698	54.198
Equity investments with negative net asset value amortised over receivables	76.354	0
Equity investments with negative net asset value transferred to provisions	45.562	0
<b>Carrying amount at 31 December</b>	<b>0</b>	<b>98.980</b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Inpay A/S	Copenhagen	100%
Inpay Services ApS	Copenhagen	100%
Eurogiro A/S	Copenhagen	100%
Clouditorium ApS	Copenhagen	100%
Inpay Solutions ApS	Copenhagen	100%
PostalPay Technologies ApS	Copenhagen	100%
Inpay Services UK Limited	London	100%
Inpay Global ApS	Copenhagen	100%
Inpay HoldCo ApS	Copenhagen	100%
Inpay ManCo ApS	Copenhagen	100%

# Notes to the Financial Statements

## 10 Other fixed asset investments

	<b>Group</b>
	<u>Deposits</u>
	TDKK
Cost at 1 January	27
Disposals for the year	-27
Cost at 31 December	<u>0</u>
<b>Carrying amount at 31 December</b>	<b><u>0</u></b>

## 11 Prepayments

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

## 12 Cash at bank and in hand

The Group's total cash at bank and in hand amounts to DKK 402.071k (2020: DKK 345.218k). DKK 10.139k (2020: DKK 30.932k) of this amount are the Group'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 Group's own funds by placement in escrow accounts with credit institutions.

## 13 Distribution of profit

Reserve for net revaluation under the equity method

	<b>Group</b>		<b>Parent Company</b>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	TDKK	TDKK	TDKK	TDKK
Reserve for net revaluation under the equity method	0	0	-56.083	29.351
Retained earnings	<u>8.708</u>	<u>28.248</u>	<u>64.791</u>	<u>-1.103</u>
	<b><u>8.708</u></b>	<b><u>28.248</u></b>	<b><u>8.708</u></b>	<b><u>28.248</u></b>

## Notes to the Financial Statements

	Group		Parent Company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
<b>14 Provision for deferred tax</b>				
Provision for deferred tax at 1 January	2.495	-2.416	-91	-144
Amounts recognised in the income statement for the year	510	4.911	32	53
Amounts recognised in equity for the year	-1.885	0	0	0
<b>Provision for deferred tax at 31 December</b>	<b>1.120</b>	<b>2.495</b>	<b>-59</b>	<b>-91</b>

### 15 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent Company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
<b>Other payables</b>				
Between 1 and 5 years	0	3.659	0	0
Long-term part	0	3.659	0	0
Other short-term payables	61.346	50.037	567	30.714
	<b>61.346</b>	<b>53.696</b>	<b>567</b>	<b>30.714</b>

## Notes to the Financial Statements

	<b>Group</b>	
	2021 TDKK	2020 TDKK
<b>16 Cash flow statement - adjustments</b>		
Financial income	-4.892	-448
Financial expenses	1.521	3.827
Depreciation, amortisation and impairment losses, including losses and gains on sales	16.937	4.697
Tax on profit/loss for the year	510	5.379
	<b>14.076</b>	<b>13.455</b>
<b>17 Cash flow statement - change in working capital</b>		
Change in receivables	4.106	-8.375
Change in trade payables, etc	22.343	116.430
Change in other payables	5.754	8.771
	<b>32.203</b>	<b>116.826</b>



# Notes to the Financial Statements

18	Group		Parent Company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
<b>Contingent assets, liabilities and other financial obligations</b>				
<b>Rental and lease obligations</b>				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	18.673	12.949	0	0
Between 1 and 5 years	0	6.614	0	0
	<b>18.673</b>	<b>19.563</b>	<b>0</b>	<b>0</b>

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 by the Group amounts to TDKK 0. 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, the Group has no security and contingent liabilities at 31 December 2021.

The Parent Company has issued an unlimited letter of support for its subsidiary Inpay HoldCo ApS, whereby the Parent Company undertakes the obligation of supporting the subsidiary in case it is necessary to ensure, that the subsidiary can continue operating and service its financial obligations. The letter of support is valid until 31 March 2023. Inpay HoldCo has, in turn, provided a similar letter of support towards the subsidiaries Eurogiro A/S, Postalpay Technologies ApS and Clouditorium ApS.

## 19 Related parties

	<b>Basis</b>
<b>Controlling interest</b>	
Jakob Tackmann Thomsen	Owns 100 % of the shares

# Notes to the Financial Statements

## 19 Related parties (continued)

### 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.

# Notes to the Financial Statements

## 20 Accounting Policies

The Annual Report of Inpay Holding ApS 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 Consolidated and Parent Company Financial Statements for 2021 are presented in TDKK.

### 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.

### Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Inpay Holding ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

### 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.

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

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

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.

### 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 and other external expenses.

### Staff expenses

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

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, 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.

### Financial income and expenses

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

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

### 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.

## Balance Sheet

### Intangible assets

Development projects in progress are measured at cost. Development projects in progress are not amortised until they are completed and presented as completed development projects.

Completed development projects are measured at cost less accumulated amortisation. Completed development projects are amortised on a straightline basis over their useful lives, assessed at 3 - 5 years.

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5	years
Leasehold improvements	3-5	years

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

### Investments in subsidiaries

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

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

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.

Subsidiaries with a negative net asset value are recognised at TDKK o. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

### **Other fixed asset investments**

Other fixed asset investments consist of deposit.

### **Receivables**

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### **Prepayments**

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

### **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.

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

### **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.

### **Cash Flow Statement**

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

#### **Cash flows from operating activities**

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

#### **Cash flows from investing activities**

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

#### **Cash flows from financing activities**

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

### 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	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$