Inpay TopCo ApS

Toldbodgade 55 B, 6., DK-1253 Copenhagen

Annual Report for 2022

CVR No. 35 05 22 83

The Annual Report was presented and adopted at the Annual General Meeting of the company on 10/7 2023

John Korsø Jensen
Chairman of the general meeting

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Management's statement

The Executive Board has today considered and adopted the Consolidated Financial Statements and Parent Company Financial Statements of Inpay TopCo ApS for the financial year 1 January - 31 December 2022.

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 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022.

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

I recommend that the Consolidated Financial Statements and Parent Company Financial Statements be adopted at the Annual General Meeting.

Copenhagen, 10 July 2023

Executive Board

Jacob Tackmann Thomsen
CEO

Independent Auditor's report

To the shareholder of Inpay TopCo 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 2022 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 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Inpay TopCo ApS for the financial year 1 January - 31 December 2022, 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 Financial 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.

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 Parent 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 Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

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 Group´s and the Parent 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 Group´s and the Parent 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 Group and the Parent 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.

Independent Auditor's report

Ringsted, 10 July 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Brian Petersen	Nikolaj Frausing Borch
State Authorised Public Accountant	State Authorised Public Accountant
mne28701	mne44062

Company information

The Company	Inpay TopCo ApS Toldbodgade 55 B, 6. DK-1253 Copenhagen CVR No: 35 05 22 83 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Executive Board	Jacob Tackmann Thomsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Eventyrvej 16 4100 Ringsted

Group Chart

Company	Residence	Ownership
Inpay TopCo ApS	**Copenhagen**	
Inpay HoldCo ApS	Copenhagen	100 %
Inpay ManCo ApS	Copenhagen	100 %
Inpay Holding A/S	Copenhagen	100 %
Inpay A/S	Copenhagen	100 %
Inpay Services ApS	Copenhagen	100 %
Eurogiro A/S	Copenhagen	100 %
Clouditorium ApS	Copenhagen	100 %
PostalPay Technologies ApS	Copenhagen	100 %
Inpay Services UK Limited	London	100 %

Financial Highlights

Seen over a 4-year period, the development of the Group is described by the following financial highlights:

	Group			
	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK
Key figures				
Profit/loss				
Gross profit/loss	203,185	164,491	104,309	52,026
Profit/loss before financial income and expenses	61,754	5,846	37,006	15,173
Profit/loss of financial income and expenses	-56,289	3,372	-3,379	-4,737
Net profit/loss	-4,909	8,708	28,248	8,020
Balance sheet				
Balance sheet total	476,879	439,184	400,389	244,499
Investment in property, plant and equipment	1,587	1,111	0	0
Equity	54,961	58,238	47,645	19,397
Cash flows				
Cash flows from:				
- operating activities	36,983	57,890	155,073	65,091
- investing activities	-1,598	-2,922	-18,168	-4,528
- financing activities	1,685	1,885	-1,559	-557
Change in cash and cash equivalents for the year	37,070	56,853	136,905	60,563
Number of employees	118	102	61	42
Ratios				
Return on assets	12.9%	1.3%	9.2%	6.2%
Solvency ratio	11.5%	13.3%	11.9%	7.9%
Return on equity	-8.7%	16.4%	84.3%	52.1%

According til section 128(4) of the Danish Statements Act, the group has omitted the financial highlights for the financial year 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 2022 shows a loss of TDKK 4,909, and at 31 December 2022 the balance sheet of the Group shows positive equity of TDKK 54,961.

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, showing a strong growth in revenue and profit.

Special risks - 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 for 2023 and expects the group revenue to be in the range of DKK 450 million - 480 million , with profit margins at a similar level to 2022.

Research and development

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

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

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Management's review

Unusual events

The financial position at 31 December 2022 of the Group and the results of the activities and cash flows of the Group for the financial year for 2022 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.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Gross profit		**203,185**	**164,491**	**-43**	**-54**
Staff expenses	1,2	-135,844	-141,603	-431	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-5,587	-15,431	0	0
Other operating expenses		0	-1,611	0	0
Profit/loss before financial income and expenses		**61,754**	**5,846**	**-474**	**-54**
Income from investments in subsidiaries		0	0	35,272	9,969
Financial income	4	834	4,892	9,688	2,572
Financial expenses	2,5	-57,123	-1,520	-47,531	-4,136
Profit/loss before tax		**5,465**	**9,218**	**-3,045**	**8,351**
Tax on profit/loss for the year	6	-10,374	-510	-1,864	357
Net profit/loss for the year	7	**-4,909**	**8,708**	**-4,909**	**8,708**

Balance sheet 31 December

Assets

		Group		Parent company	
	Note	2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Completed development projects		6,229	8,503	0	0
Development projects in progress		0	2,280	0	0
Intangible assets	8	**6,229**	**10,783**	**0**	**0**
Other fixtures and fittings, tools and equipment		558	797	0	0
Leasehold improvements		2,067	1,276	0	0
Property, plant and equipment	9	**2,625**	**2,073**	**0**	**0**
Investments in subsidiaries	10	0	0	0	0
Fixed asset investments		**0**	**0**	**0**	**0**
Fixed assets		**8,854**	**12,856**	**0**	**0**
Trade receivables		5,789	628	762	0
Receivables from group enterprises		0	0	65,987	117,205
Other receivables		20,299	20,528	0	0
Deferred tax asset	13	0	0	0	59
Corporation tax		0	0	0	390
Prepayments	11	2,796	3,101	0	0
Receivables		**28,884**	**24,257**	**66,749**	**117,654**
Cash at bank and in hand	12	**439,141**	**402,071**	**10,157**	**1,070**
Current assets		**468,025**	**426,328**	**76,906**	**118,724**
Assets		**476,879**	**439,184**	**76,906**	**118,724**

Balance sheet 31 December

Liabilities and equity

		Group		Parent company	
	Note	2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Share capital		4,000	4,000	4,000	4,000
Reserve for development costs		4,859	8,410	0	0
Reserve for hedging transactions		-54	0	0	0
Retained earnings		46,156	45,828	50,961	54,238
Equity		**54,961**	**58,238**	**54,961**	**58,238**
Provision for deferred tax	13	1,550	1,120	0	0
Provisions relating to investments in group enterprises		0	0	4,609	45,562
Provisions		**1,550**	**1,120**	**4,609**	**45,562**
Prepayments received from customers		357,916	308,909	0	0
Trade payables		17,547	9,571	105	70
Payables to group enterprises		0	0	15,013	14,287
Corporation tax		9,184	0	2,167	0
Other payables		35,721	61,346	51	567
Short-term debt		**420,368**	**379,826**	**17,336**	**14,924**
Debt		**420,368**	**379,826**	**17,336**	**14,924**
Liabilities and equity		**476,879**	**439,184**	**76,906**	**118,724**

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Statement of changes in equity

Group

	Share capital	Reserve for development costs	Reserve for hedging transactions	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	4,000	8,410	0	45,829	58,239
Exchange adjustments	0	0	-54	0	-54
Other equity movements	0	0	0	1,685	1,685
Development costs for the year	0	-3,551	0	3,551	0
Net profit/loss for the year	0	0	0	-4,909	-4,909
Equity at 31 December	**4,000**	**4,859**	**-54**	**46,156**	**54,961**

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	4,000	0	54,238	58,238
Exchange adjustments relating to foreign entities	0	-53	0	-53
Other equity movements	0	1,685	0	1,685
Net profit/loss for the year	0	-1,632	-3,277	-4,909
Equity at 31 December	**4,000**	**0**	**50,961**	**54,961**

Other equity movements of TDKK 1,122 in the Group relates to tax benefit of an equity based warrant scheme established for the employees of Inpay A/S and Inpay Services A/S, in another Company in the Group.

Other equity movements of TDKK 563 in the Group relates to proceeds received from the sale of warrants in a subsidiary.

Cash flow statement 1 January - 31 December

	Note	Group 2022	Group 2021
		TDKK	TDKK
Result of the year		-4,909	8,708
Adjustments	14	72,196	12,569
Change in working capital	15	26,009	31,825
Cash flow from operations before financial items		**93,296**	**53,102**
Financial income		834	4,892
Financial expenses		-57,123	-1,520
Cash flows from ordinary activities		**37,007**	**56,474**
Corporation tax paid		-24	1,416
Cash flows from operating activities		**36,983**	**57,890**
Purchase of intangible assets		0	-1,812
Purchase of property, plant and equipment		-1,586	-1,110
Fixed asset investments made etc		-12	0
Cash flows from investing activities		**-1,598**	**-2,922**
Other equity entries		1,685	1,885
Cash flows from financing activities		**1,685**	**1,885**
Change in cash and cash equivalents		**37,070**	**56,853**
Cash and cash equivalents at 1 January		402,071	345,218
Cash and cash equivalents at 31 December		**439,141**	**402,071**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		439,141	402,071
Cash and cash equivalents at 31 December		**439,141**	**402,071**

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
1. Staff Expenses				
Wages and salaries	129,003	138,184	355	0
Pensions	930	529	0	0
Other social security expenses	-5	570	1	0
Other staff expenses	5,916	2,320	75	0
	135,844	**141,603**	**431**	**0**

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

Average number of employees	**118**	**102**	**1**	**0**

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
2. Special items				
Employee bonuses	18,227	27,689	0	0
Impairment of fixed assets	2,280	12,855	0	0
Write-downs of current assets, that exceed normal write-downs	0	6,155	0	0
Provision for loss of other receivables	46,406	0	0	0
	66,913	**46,699**	**0**	**0**

Extraordinary employee bonuses of TDKK 27.689 was accrued at 31 December 2021. For 2022 a total bonus of TDKK 18.227 have been recognized as cost. The bonuses are recognized under staff expenses in the income statement.

Due to a change in strategy for the Group, impairment of intangible assets of TDKK 12.855 in 2021, and TDKK 2.280 have been recognized during the year.

In 2021, 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 was based on communication with the Group's legal advisors.

Provision towards loss on other receivables of TDKK 46,406 have been recognised under financial expenses.

Notes to the Financial Statements

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

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Amortisation of intangible assets	2,273	1,850	0	0
Depreciation of property, plant and equipment	1,034	726	0	0
Impairment of intangible assets	2,280	12,855	0	0
	5,587	**15,431**	**0**	**0**

4. Financial income

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Interest received from group enterprises	0	0	9,031	2,570
Other financial income	834	225	657	0
Exchange gains	0	4,667	0	2
	834	**4,892**	**9,688**	**2,572**

5. Financial expenses

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Interest paid to group enterprises	0	0	730	3,307
Other financial expenses	47,933	1,503	46,801	829
Exchange adjustments, expenses	9,190	17	0	0
	57,123	**1,520**	**47,531**	**4,136**

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK

6. Income tax expense

	Group 2022 TDKK	Group 2021 TDKK	Parent company 2022 TDKK	Parent company 2021 TDKK
Current tax for the year	9,944	0	1,805	-389
Deferred tax for the year	430	510	59	32
	10,374	**510**	**1,864**	**-357**

	Parent company	
	2022	2021
	TDKK	TDKK

7. Profit allocation

	Parent company 2022 TDKK	Parent company 2021 TDKK
Reserve for net revaluation under the equity method	-1,632	-56,083
Retained earnings	-3,277	64,791
	-4,909	**8,708**

8. Intangible fixed assets

Group

	Completed development projects	Develop-ment projects in progress
	TDKK	TDKK
Cost at 1 January	43,324	12,080
Cost at 31 December	43,324	12,080
Impairment losses and amortisation at 1 January	34,822	9,800
Impairment losses for the year	0	2,280
Amortisation for the year	2,273	0
Impairment losses and amortisation at 31 December	37,095	12,080
Carrying amount at 31 December	**6,229**	**0**

Intangible assets consists primarily of the App “PostalPay” as well as any underlying software etc. While PostalPay is still in an early phase after being launched in the second half of 2021, it will be an important part of the future strategy for the Group by including PostalPay among the other payment services offered by the Group. As such, the Group expects to capitalize on the rights during 2023 and beyond.

9. Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	TDKK	TDKK
Cost at 1 January	1,870	1,900
Additions for the year	307	1,280
Cost at 31 December	2,177	3,180
Impairment losses and depreciation at 1 January	1,073	624
Depreciation for the year	546	489
Impairment losses and depreciation at 31 December	1,619	1,113
Carrying amount at 31 December	**558**	**2,067**

10. Investments in subsidiaries

	Parent company 2022 TDKK	Parent company 2021 TDKK
Cost at 1 January	44,782	44,782
Cost at 31 December	44,782	44,782
Value adjustments at 1 January	-166,698	54,198
Net profit/loss for the year	42,173	9,969
Dividend to the Parent Company	0	-156,600
Change in intercompany profit	-6,900	-76,150
Other adjustments	1,632	1,885
Value adjustments at 31 December	-129,793	-166,698
Equity investments with negative net asset value amortised over receivables	80,402	76,354
Equity investments with negative net asset value transferred to provisions	4,609	45,562
Carrying amount at 31 December	**0**	**0**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
Inpay A/S	Copenhagen	100%
Inpay Services ApS	Copenhagen	100%
Eurogiro A/S	Copenhagen	100%
Inpay Holding A/S	Copenhagen	100%
Clouditorium ApS	Copenhagen	100%
Postalpay Technologies ApS	Copenhagen	100%
Inpay Services UK Limited	London	100%
Inpay HoldCo ApS	Copenhagen	100%
Inpay ManCo ApS	Copenhagen	100%

11. Prepayments

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

Notes to the Financial Statements

12. Cash at bank and in hand

The Group's total cash at bank and in hand amounts to DKK 439.141k (2021: DKK 402,071k). DKK 27.488k (2021: DKK 10,139k) of this amount are the Group's own bank deposits, and the remaining DKK 411.653k (2021: DKK 391,932k) 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 creditinstitutions.

13. Provision for deferred tax

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Deferred tax liabilities at 1 January	1,120	2,495	-59	-91
Amounts recognised in the income statement for the year	430	510	59	32
Amounts recognised in equity for the year	0	-1,885	0	0
Deferred tax liabilities at 31 December	**1,550**	**1,120**	**0**	**-59**

14. Cash flow statement - Adjustments

	Group	
	2022	2021
	TDKK	TDKK
Financial income	-834	-4,892
Financial expenses	57,123	1,520
Depreciation, amortisation and impairment losses, including losses and gains on sales	5,587	15,431
Tax on profit/loss for the year	10,374	510
Exchange adjustments	-54	0
	72,196	**12,569**

Notes to the Financial Statements

15. Cash flow statement - Change in working capital

	Group 2022	Group 2021
	TDKK	TDKK
Change in receivables	-4,627	4,106
Change in trade payables, etc	30,636	27,719
	26,009	**31,825**

16. Contingent assets, liabilities and other financial obligations

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	6,131	18,673	0	0
	6,131	**18,673**	**0**	**0**

Other 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 by the Group amounts to TDKK 9.184. 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 2022.

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 neccesary 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.

17. Related parties

	Basis
Controlling interest	
Jakob Tackmann Thomsen	Owns 100 % of the shares

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

18. Accounting policies

The Annual Report of Inpay TopCo ApS for 2022 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 Financial Statements and the Parent Company Financial Statements for 2022 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 TopCo 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.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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.

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 transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

Income statement

Net sales

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.

Expenses for raw materials and consumables

Direct expenses comprise direct costs related to the processing of transactions, including bank fees etc.

Other external expenses

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

Gross profit

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

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

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 comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Notes to the Financial Statements

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for 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 the Group and Inpay TopCo ApS is registered as administration-company. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Intangible fixed assets

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company’s development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 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.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

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

The fixed assets’ residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments 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.

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 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.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

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 tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Notes to the Financial Statements

Financial debts

Prepayments received from customers 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.

Financial Highlights

Explanation of financial ratios

Return on assets	Profit before financials x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity