Inpay TopCo ApS

Toldbodgade 55 B, 6., DK-1253 Copenhagen

Annual Report for 2023

CVR No. 35 05 22 83

The Annual Report was presented and adopted at the Annual General Meeting of the company on 8/7 2024

John Korsø Jensen
Chairman of the general meeting

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Management's statement

The Executive Board has today considered and adopted the Annual Report of Inpay TopCo ApS for the financial year 1 January - 31 December 2023.

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 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

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, 8 July 2024

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 2023 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 2023 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 2023, 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.

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, 8 July 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Brian Pedersen
State Authorised Public Accountant
mne28701

Nikolaj Frausing Borch
State Authorised Public Accountant
mne44062

Company information

The Company	Inpay TopCo ApS Toldbodgade 55 B, 6. 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 DK-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%
Robot Go Pte. Ltd.	Singapore	100%

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	448,617	362,532	274,105	167,764	85,018
Gross profit	225,428	203,185	164,491	104,309	52,026
Profit/loss of primary operations	62,603	61,754	5,846	37,006	16,305
Profit/loss of financial income and expenses	46,526	-56,289	3,372	-3,379	-4,737
Net profit/loss for the year	82,820	-4,909	8,708	28,248	8,020
Balance sheet					
Balance sheet total	686,223	476,879	439,184	400,389	244,499
Investment in property, plant and equipment	528	1,587	1,111	0	0
Equity	137,781	54,961	58,238	47,645	19,397
Cash flows					
Cash flows from:					
- operating activities	159,353	83,389	57,890	155,073	65,091
- investing activities	-89,826	-48,004	-2,922	-18,168	-4,528
- financing activities	0	1,685	1,885	-1,559	-557
Change in cash and cash equivalents for the year	69,527	37,070	56,853	136,905	60,563
Number of employees	153	118	102	61	42
Ratios					
Gross margin	50.2%	56.0%	60.0%	62.2%	61.2%
Profit margin	14.0%	17.0%	2.1%	22.1%	19.2%
Return on assets	9.1%	12.9%	1.3%	9.2%	6.7%
Solvency ratio	20.1%	11.5%	13.3%	11.9%	7.9%
Return on equity	85.9%	-8.7%	16.4%	84.3%	52.1%

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 2023 shows a profit of TDKK 82,820, and at 31 December 2023 the balance sheet of the Group shows a positive equity of TDKK 137,781.

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 expectations presented last year. However, EBIT remains at the same level which can be attributed to increasing costs. Management is in general satisfied with the performance of the Group during the year.

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 is launching numerous new business initiatives which will have a positive impact on both liquidity and the income statement for the financial year 2024. As a result of these initiatives, Management aims to facilitate an increase in revenue for 2024 and expects the group revenue to be in the range of DKK 550 million - 600 million , with profit margins at a similar level to 2023.

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.

Statement of corporate social responsibility, cf. section 99a of the Financial Statements Act

What we do:

Inpay delivers a wide range of financial transactions, including cross-border payouts, open-banking enabled pay-ins, peer-to-peer payments, cash remittance services, and open banking transactions. Our expertise lies in facilitating complex transactions and making them fast, transparent, and secure for our customers. By connecting the world in a much simpler, faster, and more secure way than traditional methods, we enable seamless financial interactions across borders.

How we do it:

Our approach is customer-centric, emphasising the importance of trusted relationships and expert execution. Inpay's dedicated teams in Copenhagen and London are committed to providing an easy and fast customer experience. Additionally, we are looking to further expand our presence in local hubs worldwide. An account manager ensures personal relationships while our single API integration simplifies system compatibility. Our commitment to compliance and secure payments is unwavering, certified by the Danish FSA and holding an EMI licence, establishing Inpay as a leader in compliance and risk management.

At Inpay, we realise that we have an impact on society, and we strive to keep that impact positive in all respects.

Social and Environmental:

Our social impact is comprehensively addressed in our core policy frameworks, especially in our Sound Corporate Policy. Trust, Accountability, Passion, Innovation and Respect are the values that support our vision and these values are ingrained in all of the processes at Inpay – from our day-to-day operations, and the relationship with our customers and partners. This is done to mitigate the risk of a negative work environment by acknowledging our company's impact on our local communities.

Throughout the year, we commit ourselves to gauge and enhance employee satisfaction and development. We conduct eNPS assessments on a quarterly basis. Our eNPS score of 31 by the end of 2023, indicates strong employee satisfaction. Furthermore, we hold biannual employee development interviews with all employees to have a continuous dialogue about their development and job satisfaction. We did this in 2023 and expect to continue doing this in the coming years.

One of our key verticals is to serve NGOs and NGOs are equally important to Inpay as clients from other sectors, contributing to Inpay's business in the same way. However, we are proud to contribute in the delivering of funds to those in need by partnering with NGOs.

As a fintech company, we recognise that our environmental footprint is limited so we see a reduced risk of our company negatively impacting the environment. Consequently, we currently do not maintain an environmental policy.

We evaluate the need for establishing an environmental policy on an annual basis and closely monitor the evolving requirements of the European Union's Corporate Sustainability Reporting Directive (CSRD), which will mandate extended ESG reporting in the coming years. For further information on our ESG efforts, please refer to page 32-33 of this report.

Human Rights:

Inpay is a diverse workplace, and we view our diversity as a strong contributor to the company's growth. We acknowledge the potential risks in our diverse workforce, where discrimination poses a risk. We support human rights, a commitment clearly outlined in our employee handbook. This document, which underscores our human rights policy, is required reading for all employees upon their commencement of employment. Additionally, our employment contracts explicitly reference the handbook, ensuring new hires are directed to review it.

In 2023, Inpay reported no human rights violations. Moreover, we have received no allegations or complaints related to human rights issues. Our eNPS of 31 further reflects strong employee satisfaction within our organisation.

We continue our work with human rights for the future.

Anti-Corruption and Money Laundering:

Management's review

As a member of the global financial community, we are at risk of being misused for money laundering, corruption, bribery and related crimes. We have a strong commitment towards mitigating these risks and have numerous strategies in place.

In 2023, our external AML/CTF Audit found 0 instances of non-compliance for the second consecutive year. An external audit also confirmed that we have a well-functioning AML/CTF system and processes. All employees receive training on this when they join and must pass a mandatory test. Processes have been in place since 2022 and the training and tests are reviewed annually.

Inpay has a zero-tolerance policy towards bribery and corruption, regardless of the identity or position of the originator or recipient.

Inpay requires employees to conduct business in accordance with the highest standards of ethical behaviour and honesty. This means that we are committed to the prevention, deterrence and detection of bribery and corruption.

Bribery and corruption are criminal offences and are clear violations of the Inpay Values. Engaging in behaviour or activities contrary to Inpay’s Values, as well as all other applicable laws and regulations, violates our promise to our stakeholders. We do not, and will not, pay bribes or offer improper inducements to anyone for any purpose, nor do we, or will we, accept bribes or improper inducements or anything that could be perceived as such, and we have the same expectations of our third parties and clients.

Our zero-tolerance approach towards bribery and corruption also applies to third parties, with whom Inpay does business or who are retained by Inpay to perform services or deliver business for and on behalf of the company. Our commitment is documented in our AntiBribery and Corruption Statement and in our Code of Conduct.

Statement on gender composition, cf. section 99b of the Financial Statements Act

As Inpay TopCo ApS has less than 50 employees, the Parent Company is not obligated to present targets or formulate policies regarding the underrepresented gender in other management levels of the Company.

The Executive Board consists of 1 member, and it is therefore not practically possible to obtain equal gender representation at the top management level.

There are no employees in other management levels.

	2023
Top management	
Total number of members	1
Underrepresented gender %	0%
Target figure %	0%
Other management levels	
Total number of members	0
Underrepresented gender %	0%
Target figure %	0%

Statement on data ethics, cf. section 99d of the Financial Statements Act

As a company licenced and operating within the EU, Inpay is subject to the General Data Protection Regulation (GDPR). To ensure compliance with this regulation, the Board of Directors at Inpay has approved more detailed policies pertaining to GDPR rules. While Inpay only holds limited personal information, such information must always be treated with utmost respect for the integrity and rights of the individual. This requires Inpay to ensure proper legal authorisation for the collection of any data on Ultimate Beneficial Owners or Management of Inpay customers, and on data collection on the payer or payee, in relation to transactions. Access to this data is restricted, and only staff with a relevant business need are given access. All new products, processes and systems are evaluated for any impact on the collection or use of personal data.

Uncertainty relating to recognition and measurement

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

Unusual events

The financial position at 31 December 2023 of the Group and the results of the activities and cash flows of the Group for the financial year for 2023 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 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Revenue	1	448,617	362,533	1,511	771
Other operating income		514	0	0	0
Direct expenses		-46,523	-51,033	0	0
Other external expenses		-177,180	-108,315	-715	-814
Gross profit		**225,428**	**203,185**	**796**	**-43**
Staff expenses	2,3	-152,318	-135,844	-1,761	-431
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3,4	-10,507	-5,587	0	0
Profit/loss before financial income and expenses		**62,603**	**61,754**	**-965**	**-474**
Income from investments in subsidiaries		0	0	31,901	35,272
Financial income	5	50,683	834	57,462	9,688
Financial expenses	3,6	-4,157	-57,123	-3,998	-47,531
Profit/loss before tax		**109,129**	**5,465**	**84,400**	**-3,045**
Tax on profit/loss for the year	7	-26,309	-10,374	-1,580	-1,864
Net profit/loss for the year	8	**82,820**	**-4,909**	**82,820**	**-4,909**

Balance sheet 31 December

Assets

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Completed development projects		59,584	6,229	0	0
Development projects in progress		0	0	0	0
Intangible assets	9	**59,584**	**6,229**	**0**	**0**
Other fixtures and fittings, tools and equipment		529	558	0	0
Leasehold improvements		1,812	2,067	0	0
Property, plant and equipment	10	**2,341**	**2,625**	**0**	**0**
Investments in subsidiaries	11	0	0	0	0
Other receivables	12	98,553	0	98,553	0
Fixed asset investments		**98,553**	**0**	**98,553**	**0**
Fixed assets		**160,478**	**8,854**	**98,553**	**0**
Trade receivables		440	5,789	12	762
Receivables from group enterprises		0	0	64,878	65,987
Other receivables		10,229	20,299	3,312	0
Corporation tax receivable from group enterprises		0	0	21,127	8,635
Prepayments	13	6,408	2,796	0	0
Receivables		**17,077**	**28,884**	**89,329**	**75,384**
Cash at bank and in hand	14	**508,668**	**439,141**	**3,152**	**10,157**
Current assets		**525,745**	**468,025**	**92,481**	**85,541**
Assets		**686,223**	**476,879**	**191,034**	**85,541**

Balance sheet 31 December

Liabilities and equity

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Share capital		4,000	4,000	4,000	4,000
Reserve for development costs		3,086	4,859	0	0
Reserve for hedging transactions		-90	-54	0	0
Retained earnings		115,785	46,156	118,781	50,961
Proposed dividend for the year		15,000	0	15,000	0
Equity		**137,781**	**54,961**	**137,781**	**54,961**
Provision for deferred tax	15	1,190	1,550	0	0
Provisions relating to investments in group enterprises		0	0	921	4,609
Provisions		**1,190**	**1,550**	**921**	**4,609**
Prepayments received from customers		430,144	357,916	0	0
Trade payables		23,402	17,547	133	105
Payables to group enterprises		0	0	11,886	15,013
Corporation tax		39,945	9,184	39,945	10,802
Other payables		53,761	35,721	368	51
Short-term debt		**547,252**	**420,368**	**52,332**	**25,971**
Debt		**547,252**	**420,368**	**52,332**	**25,971**
Liabilities and equity		**686,223**	**476,879**	**191,034**	**85,541**

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Statement of changes in equity

Group

	Share capital	Reserve for developmen t costs	Reserve for hedging trans- actions	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	4,000	4,859	-54	46,156	0	54,961
Exchange adjustments	0	0	-36	36	0	0
Development costs for the year	0	-1,773	0	1,773	0	0
Net profit/loss for the year	0	0	0	67,820	15,000	82,820
Equity at 31 December	**4,000**	**3,086**	**-90**	**115,785**	**15,000**	**137,781**

Parent company

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	4,000	50,961	0	54,961
Net profit/loss for the year	0	67,820	15,000	82,820
Equity at 31 December	**4,000**	**118,781**	**15,000**	**137,781**

Cash flow statement 1 January - 31 December

	Note	Group 2023	Group 2022
		TDKK	TDKK
Result of the year		82,820	-4,909
Adjustments	16	-9,710	72,196
Change in working capital	17	88,948	26,009
Cash flow from operations before financial items		**162,058**	**93,296**
Financial income		390	834
Financial expenses		-3,071	-10,717
Cash flows from ordinary activities		**159,377**	**83,413**
Corporation tax paid		-24	-24
Cash flows from operating activities		**159,353**	**83,389**
Purchase of property, plant and equipment		-528	-1,586
Fixed asset investments made etc		0	-12
Business acquisition		-37,360	0
Loans issued		-51,938	-46,406
Cash flows from investing activities		**-89,826**	**-48,004**
Other equity entries		0	1,685
Cash flows from financing activities		**0**	**1,685**
Change in cash and cash equivalents		**69,527**	**37,070**
Cash and cash equivalents at 1 January		439,141	402,071
Cash and cash equivalents at 31 December		**508,668**	**439,141**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		508,668	439,141
Cash and cash equivalents at 31 December		**508,668**	**439,141**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
1. Revenue				
Business segments				
Cross-border payments	395,342	315,754	0	0
Other	53,275	46,779	1,511	771
	448,617	**362,533**	**1,511**	**771**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
2. Staff Expenses				
Wages and salaries	133,607	129,003	1,617	355
Pensions	5,254	930	51	0
Other social security expenses	3,726	-5	10	1
Other staff expenses	9,731	5,916	83	75
	152,318	**135,844**	**1,761**	**431**

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	**153**	**118**	**2**	**1**

Notes to the Financial Statements

3. Special items

	Group 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
Employee bonuses	0	18,227	0	0
Impairment of fixed assets	0	2,280	0	0
Reversals of write-downs of current assets	46,406	0	0	0
Provision for loss of other receivables	0	46,406	0	0
	46,406	**66,913**	**0**	**0**

Extraordinary employee bonuses of TDKK 18.227 was accrued at 31 December 2022. 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 2.280 in 2022, have been recognized during the year.

Management has assessed that the provision for loss of other receivables done during 2022, should be reversed as pr. 31 december 2023. Management has changed their assessment of the valuation of the other receivables recognised fixed assets investments due to the fact that the debtor to whom the loan has been given, has received a letter of support from a third party, thereby ensuring that the debtor will be able to pay back the loan as needed. Based on this, it is Management´s assessment that no impairment is necessary on the receivable.

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

	Group 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
Amortisation of intangible assets	9,695	2,273	0	0
Depreciation of property, plant and equipment	812	1,034	0	0
Impairment of intangible assets	0	2,280	0	0
	10,507	**5,587**	**0**	**0**

Notes to the Financial Statements

5. Financial income

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Interest received from group enterprises	0	0	7,146	9,031
Other financial income	50,656	834	50,316	657
Exchange adjustments	27	0	0	0
	50,683	**834**	**57,462**	**9,688**

6. Financial expenses

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Interest paid to group enterprises	0	0	393	730
Other financial expenses	4,046	47,933	3,604	46,801
Exchange adjustments, expenses	111	9,190	1	0
	4,157	**57,123**	**3,998**	**47,531**

7. Income tax expense

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Current tax for the year	23,603	9,944	1,580	1,805
Deferred tax for the year	-360	430	0	59
Adjustment of tax concerning previous years	3,066	0	0	0
	26,309	**10,374**	**1,580**	**1,864**

	Parent company	
	2023	2022
	TDKK	TDKK
8. Profit allocation		
Proposed dividend for the year	15,000	0
Reserve for net revaluation under the equity method	0	-1,632
Retained earnings	67,820	-3,277
	82,820	**-4,909**

9. Intangible fixed assets

Group

	Completed development projects
	TDKK
Cost at 1 January	43,324
Additions for the year	63,050
Cost at 31 December	106,374
Impairment losses and amortisation at 1 January	37,095
Amortisation for the year	9,695
Impairment losses and amortisation at 31 December	46,790
Carrying amount at 31 December	**59,584**

Intangible assets primarily consists of the SaaS peer-to-peer platform based on real time bank-account to bankaccount transfers between individuals.

Further, intangible assets consist of the App "PostalPay" as well as any underlying software etc. The Group's strategy towards PostalPay has been reassessed during 2023 as it is not expected to be offered as a separate payment service going forward. Instead, the PostalPay framework and technology will be utilised to further develop the offerings under the Inpay brand. Based on this, Management has not identified any impairment needs at 31 December 2023.

10. Property, plant and equipment
Group

	Other fixtures and fittings, tools and equipment	Leasehold improve-ments
	TDKK	TDKK
Cost at 1 January	2,177	3,180
Additions for the year	274	254
Cost at 31 December	2,451	3,434
Impairment losses and depreciation at 1 January	1,619	1,113
Depreciation for the year	303	509
Impairment losses and depreciation at 31 December	1,922	1,622
Carrying amount at 31 December	**529**	**1,812**

	Parent company 2023 TDKK	Parent company 2022 TDKK
11. Investments in subsidiaries		
Cost at 1 January	44,782	44,782
Cost at 31 December	44,782	44,782
Value adjustments at 1 January	-129,793	-166,698
Net profit/loss for the year	31,901	42,173
Dividend to the Parent Company	-30,000	0
Change in intercompany profit on inventories	0	-6,900
Other adjustments	0	1,632
Value adjustments at 31 December	-127,892	-129,793
Equity investments with negative net asset value amortised over receivables	82,189	80,402
Equity investments with negative net asset value transferred to provisions	921	4,609
Carrying amount at 31 December	**0**	**0**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership and Votes
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%
Robot Go Pte. Ltd.	Singapore	100%

12. Other fixed asset investments

	Group	Parent company
	Other receivables	Other receivables
	TDKK	TDKK
Cost at 1 January	46,965	46,965
Additions for the year	51,588	51,588
Cost at 31 December	98,553	98,553
Carrying amount at 31 December	**98,553**	**98,553**

13. Prepayments

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

14. Cash at bank and in hand

The Group's total cash at bank and in hand amounts to DKK 508,668k (2022: DKK 439,141k). DKK 26,001k (2022: DKK 27,488k) of this amount are the Company's own bank deposits, and the remaining DKK 482,667k (2022: DKK 411,653k) relates to separate customer accounts with external banks and balances with third parties.

Customer accounts are seperated from the Company's funds by placement in escrow accounts with credit institutions. Customer accounts are used to cover prepayments from customers, DKK 430,114k at December 2023 (2022: DKK 357,916k), and any remaining overhead is also at the disposal of the Company.

15. Provision for deferred tax

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Deferred tax liabilities at 1 January	1,550	1,120	0	-59
Amounts recognised in the income statement for the year	-360	430	0	59
Deferred tax liabilities at 31 December	**1,190**	**1,550**	**0**	**0**

16. Cash flow statement - Adjustments

	Group 2023	Group 2022
	TDKK	TDKK
Financial income	-50,683	-834
Financial expenses	4,157	57,123
Depreciation, amortisation and impairment losses, including losses and gains on sales	10,507	5,587
Tax on profit/loss for the year	26,309	10,374
Exchange adjustments	0	-54
	-9,710	**72,196**

17. Cash flow statement - Change in working capital

	Group 2023	Group 2022
	TDKK	TDKK
Change in receivables	-234	-4,627
Change in trade payables, etc	89,182	30,636
	88,948	**26,009**

18. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	TDKK	TDKK	TDKK	TDKK
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	3,237	6,131	0	0
	3,237	**6,131**	**0**	**0**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

18. Contingent assets, liabilities and other financial obligations

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 DKK 39,944,204. 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 Group's liability.

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 30 June 2025.

19. 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.

20. Fee to auditors appointed at the general meeting

	Group	
	2023	2022
	TDKK	TDKK
PricewatehouseCoopers Statsautoriseret Revisionspartnerselskab		
Audit fee	1,009	547
Other assurance engagements	385	62
Tax advisory services	578	798
Non-audit services	7,286	2,233
	9,258	**3,640**

21. Subsequent events

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

22. Accounting policies

The Annual Report of Inpay TopCo ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large 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 2023 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. 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 transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Notes to the Financial Statements

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.

Segment information on revenue

Information on business segments is based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

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.

Direct expenses

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.

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 ……

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 comprises only development costs recognised in financial years beginning on or after 1 January 2016. 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 year.

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.

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 ......

Investments in ......

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.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

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.

Financial liabilities

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.

Notes to the Financial Statements

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

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit/loss of ordinary primary operations x 100 / Revenue
Return on assets	Profit/loss of ordinary primary operations 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