COINIFY ApS

C/O Matrikel1 office no. 401, Højbro Plads 10, 4., 1200 København K

Company reg. no. 35 84 79 95

Annual report

1 July - 31 December 2022

The annual report was submitted and approved by the general meeting on the 13 April 2023.

Karl Denny Fröjd
Chairman of the meeting

Contents

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of COINIFY ApS for the financial year 1 July - 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 July – 31 December 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 13 April 2023

Managing Director

Mark Højgaard
CEO

Board of directors

Hans Henrik Hoffmeyer
Chairman

Independent auditor's report

To the Shareholders of COINIFY ApS

Opinion

We have audited the financial statements of COINIFY ApS for the financial year 1 July - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 July - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to note 1 where it appears that the Company has planned initiatives to monitor and improve the Company's liquidity situation. Management has presented the financial statements on a going concern basis as it estimates that planned initiatives will provide sufficient liquidity, and positive income to meet the Company's obligations as they fall due at least until 31.12.2023.

Our opinion has not been modified with respect to this matter.

Management's Responsibilities for the Financial Statements

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on 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, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 13 April 2023

Christensen Kjærulff
Statsautoriseret Revisionsaktieselskab
Company reg. no. 15 91 56 41

Kenneth Iversen
State Authorised Public Accountant
mne34390

Company information

The company	COINIFY ApS C/O Matrikel1 office no. 401 Højbro Plads 10, 4. 1200 København K	
	Company reg. no.	35 84 79 95
	Domicile:	Copenhagen
	Financial year:	1 July - 31 December
Board of directors	Hans Henrik Hoffmeyer, Chairman	
Managing Director	Mark Højgaard, CEO	
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Østbanegade 123 2100 København Ø	
Parent company	ASCENSION ApS	
Subsidiaries	Coinify Technologies ApS, København Coinify Financial Services ApS, København	

Primary activities

At Coinify, our primary aim is to enable seamless conversion between traditional and digital currencies while ensuring compliance and security for all our stakeholders - be it businesses, investors, or consumers. Our Compliant Blockchain Global Payment platform serves as the backbone of this activity and is trusted by leading international Global Payment Providers and Signature Merchants across the globe.

By leveraging our platform's cutting-edge technology, we empower our customers to transact with ease and confidence, irrespective of their location or currency preferences. Through our unwavering commitment to regulatory compliance and data security, we strive to create a more inclusive and accessible financial ecosystem for all.

Development in activities and financial matters

Description of material changes in activities and development of the business

The past accounting period saw several significant changes to Coinify's business, with the Management Buy-out acquisition of Coinify by Ascension ApS from Voyager Digital LLC being the most significant event impacting the business. The acquisition was executed 17/08//2022 with substantial work leading up to it.

Following the acquisition, Management implemented measures to align the business and cost structure with the evolving market conditions while ensuring continuity in both our Trade and Payment operations.

The customer and partner response to the new ownership structure has been overwhelmingly positive, with many expressing their renewed trust and confidence in our ability to drive value and growth in the digital currency ecosystem. We are pleased to have emerged from the Voyager Digital LLC Chapter 11 process.

During the reporting period, Management has been targeting break-even as the main target.

Despite the loss during the financial period, Coinify has proven that the core business model can be very profitable under normal market conditions, and the management has - following the Management Buyout - worked on cost reduction initiatives and securing some of the largest financial institutions as customers.

Development in activities and finances

The financial year 2022 for Coinify ended with a loss of 9.252.107 DKK for the 6 month period; driven largely by the change in strategy from the fact that Voyager entered into Chapter 11.

During H2 2022, Coinify saw a significant decrease in monthly volumes, primarily on the Trade business, in line with the overall crypto industry turbulence. In total, Coinify registered a 67 % decrease in volume compared to H2 2021. On a positive side Coinify payment product continued growing despite the market conditions, increasing by 21 %.

Despite the loss during the financial period, Coinify has proven that the core business model can be very profitable under normal market conditions, and the management has - following the Management Buyout - worked on cost reduction initiatives and returned to the core strategy of Payments.

Events occurring after the end of the financial year

Following the close of the previous financial year on 31st December 2022, Coinify experienced a highly encouraging first quarter, with a significant improvement in financial performance culminating in the achievement of break-even in March 2023.

While the market dynamics and industry trends continue to be a source of uncertainty, we remain optimistic about the Company's growth prospects for the year ahead. With a strong focus on product development for Payment Service Providers, we intend to drive innovation and enhance our offerings to better serve our customers and partners

In particular, we are thrilled to have recently onboarded several of the world's largest Payment and Financial Providers, and we are committed to delivering a seamless integration experience for their merchant customers. As we look to the future, we are confident in our ability to capture new growth opportunities and drive value for our stakeholders.

Our mission to establish Coinify as the global leader in digital payments for Web3 is rapidly gaining traction within the payment industry. Despite market turbulence and economic downturns, our payment volumes have continued to grow steadily, a testament to the trust and confidence that leading compliance-focused payment companies have placed in our platform.

As the Web3 ecosystem continues to evolve, we are well-positioned to capture new growth opportunities and deliver innovative payment solutions that meet the evolving needs of our customers and partners. We remain committed to our mission of creating a more accessible and inclusive financial ecosystem for all, and we are excited about the possibilities that lie ahead for Coinify.

We has presented the financial statements on a going concern basis as it estimates, based on the planned initiatives, that the Company has suffcient liquidity to meet its obligations as they fall due at least until 31.12.2023 and therefore the going concern principle is assessed to be appropriate.

We draw attention to note 1 where Management's assumptions and assessment of the going concern principle is elaborated.

Income statement

All amounts in DKK.

Note		1/7 2022 - 31/12 2022	1/1 2021 - 30/6 2022
	Gross profit	**5.019.886**	**34.302.623**
3	Staff costs	-13.849.112	-48.061.582
4	Depreciation, amortisation, and impairment	-85.886	-326.866
	Operating profit	**-8.915.112**	**-14.085.825**
	Other financial income	128.890	404.709
5	Other financial expenses	-465.885	-1.327.611
	Pre-tax net profit or loss	**-9.252.107**	**-15.008.727**
	Tax on net profit or loss for the year	0	-2.500.000
	Net profit or loss for the year	**-9.252.107**	**-17.508.727**
	Proposed distribution of net profit:		
	Allocated from retained earnings	-9.252.107	-17.508.727
	Total allocations and transfers	**-9.252.107**	**-17.508.727**

Balance sheet

All amounts in DKK.

Note	Assets	31/12 2022	30/6 2022
	Non-current assets		
6	Acquired concessions, patents, licenses, trademarks, and similar rights	10.853	16.276
	Total intangible assets	10.853	16.276
7	Other fixtures, fittings, tools and equipment	176.390	238.056
	Total property, plant, and equipment	176.390	238.056
8	Other receivables	59.128	60.692
	Total investments	59.128	60.692
	Total non-current assets	**246.371**	**315.024**
	Current assets		
9	Manufactured goods and goods for resale	4.787.064	4.835.941
	Total inventories	4.787.064	4.835.941
10	Other receivables	6.067.538	6.306.688
	Prepayments	1.963.902	2.044.868
	Total receivables	8.031.440	8.351.556
	Cash and cash equivalents	4.965.629	14.483.867
	Total current assets	**17.784.133**	**27.671.364**
	Total assets	**18.030.504**	**27.986.388**

Balance sheet

All amounts in DKK.

Note	Equity and liabilities	31/12 2022	30/6 2022
	Equity		
11	Contributed capital	450.153	450.153
	Share premium	86.811.328	86.811.328
	Retained earnings	-88.117.440	-78.865.333
	Total equity	**-855.959**	**8.396.148**
	Liabilities other than provisions		
	Trade payables	1.135.313	765.491
	Payables to group enterprises	3.135.974	21.841
	Other payables	14.615.176	18.802.908
	Total short term liabilities other than provisions	18.886.463	19.590.240
	Total liabilities other than provisions	**18.886.463**	**19.590.240**
	Total equity and liabilities	**18.030.504**	**27.986.388**

1 Uncertainties relating to going concern

2 Special items

12 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 January 2021	393.884	77.718.083	-61.356.606	16.755.361
Cash capital increase	56.269	9.093.245	0	9.149.514
Retained earnings for the year	0	0	-17.508.727	-17.508.727
Equity 1 July 2022	450.153	86.811.328	-78.865.333	8.396.148
Retained earnings for the year	0	0	-9.252.107	-9.252.107
	450.153	**86.811.328**	**-88.117.440**	**-855.959**

All amounts in DKK.

1. Uncertainties relating to going concern

Some major crypto companies and banks in general have during the last period, and after 31/12 2022 been hit by a “bank run” where customers wanted to have their deposits paid out which in fact led to bankruptcies for these companies. This has affected the liquidity situation and the image of the industry overall, which could give rise to doubts about the Company's ability to continue as a going concern due the uncertainty in the market.

The Company did not have any receivables from any of the bankrupt crypto companies meaning that the direct effects were close to none. In regard to counterparty risk on partners, the Company has been in close contact with the partners ensuring that liquidity is still suffcient which is also proved by the fact that trading is ongoing between the Company and the partners. After the balance sheet date, the Company has not experienced payment and hence liquidity problems with its business partners. If the Company begins to observe longer trade time with any partners, it can stop using the partner immediately and limit the risk of loss. Furthermore, Management is monitoring the regulatory risk on an ongoing basis, and how that can affect the revenue and services going forward.

Contrary to the general trends in the industry, from the Company’s point of view, the short-term effects of the turmoil in the industry have been positive as it generates volatility leading to an increase in the volume of transactions generating revenue for the Company.

Recently the industry has been shaken by the ripple effects from the collapse of several prominent exchanges, leading to market uncertainty of unknown financial interdependencies. Management has forecasted the results and liquidity in order to provide necessary information on the going concern assumption which is subject to material uncertainty due to market conditions.

As a result of the above and the uncertainty related to the market, regulation etc., Management has forecasted the results and liquidity for the finansial year 2023 in order to provide necessary information on the going concern assumption which is subject to with material uncertainty due to market conditions.

The forecast is based on a scenario where the revenue stream related to Trade revenue will stay at a constant level based, on realized numbers from November 2022, whereas the revenue stream related to Merchant revenue will increase based on the fact that payments in cryptocurrencies for a fact have been increasing since 2014 and the fact that new partners have been signed over the lasted months. Also the core business have since marts 2023 been able to break even on the P/L and are expected to make a positive P/L for 2023.

In addition, the cost base has been downsized in order to focus on core business going forward. The shareholders have after the balance date supported the Company with a Shareholder loan of EUR 150.000 falling due at the earliest at June 30th 2023.

All amounts in DKK.

The current liquidity and the forecast of the earnings after tax prepared by Management in the period from Januar 2023 to the end of december 2023 is expected to be sufficient to cover any losses during the period.

Management has presented the financial statements on a going concern basis as it estimates, based on the planned initiatives, that the Company has sufficient liquidity to meet its obligations as they fall due at least until 31.12.2023, and therefore the going concern principle is assessed to be appropriate. If those estimates and lack of liquidity are not reached, the company would not be able to continue its operation and insted go into bankruptcy.

2. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

Special items for the year are specified below, indicating where they are recognised in the income statement.

Special items for the year are specified below, indicating where they are recognised in the income statement.

At Gross Profit the special items consists of DKK 315.982 exchange rate adjustments on the inventory of cryptocurrencies. The estimated exchange rate adjustments of cryptocurrencies is based on inventory levels in beginning of financial year and end of financial year.

3. Staff costs

Salaries and wages	11.131.704	38.433.813
Pension costs	622.740	1.711.834
Other costs for social security	196.570	460.679
Other staff costs	1.898.098	7.455.256
	13.849.112	**48.061.582**
Average number of employees	40	42

4. Depreciation, amortisation, and impairment

Amortisation of concessions, patents, and licences	5.423	5.423
Depreciation of other fixtures and fittings, tools and equipment	80.463	321.443

Notes

All amounts in DKK.

	1/7 2022 - 31/12 2022	1/1 2021 - 30/6 2022
	85.886	**326.866**

5. Other financial expenses

Other financial costs	465.885	1.327.611
	465.885	**1.327.611**

6. Acquired concessions, patents, licenses, trademarks, and similar rights

Cost 1 July 2022	54.238	54.238
Cost 31 December 2022	**54.238**	**54.238**
Amortisation and write-down 1 July 2022	-37.962	-32.539
Amortisation and depreciation for the year	-5.423	-5.423
Amortisation and write-down 31 December 2022	**-43.385**	**-37.962**
Carrying amount, 31 December 2022	**10.853**	**16.276**

7. Other fixtures, fittings, tools and equipment

Cost 1 July 2022	884.506	652.918
Additions during the year	18.797	310.642
Disposals during the year	0	-79.054
Cost 31 December 2022	**903.303**	**884.506**
Depreciation and write-down 1 July 2022	-646.450	-404.061
Amortisation and depreciation for the year	-80.463	-321.443
Reversal of depreciation, amortisation and impairment loss, assets disposed of	0	79.054
Depreciation and write-down 31 December 2022	**-726.913**	**-646.450**
Carrying amount, 31 December 2022	**176.390**	**238.056**

All amounts in DKK.

		31/12 2022	30/6 2022
8.	**Other receivables**		
	Cost 1 July 2022	60.692	60.692
	Disposals during the year	-1.564	0
	Cost 31 December 2022	**59.128**	**60.692**
	Carrying amount, 31 December 2022	**59.128**	**60.692**
	Specified as below:		
	Other receivables	59.128	60.692
		59.128	**60.692**

9. Manufactured goods and goods for resale

The Inventory comprises of cryptocurrencies which are measured at cost based on the FIFO-method less accumulated depreciation, impairment losses and costs of sale. This method of measurement is in all material aspect equal to the fair value of the inventory due to ongoing transactions of cryptocurrencies in the inventory.

The Company does not hold any cryptocurrencies for investments.

10. Other receivables

Other receivables consist of liquidity deposited with crypto partners and do not fulfill the criterias to be presented as cash. Other receivables are being used as a part of ongoing transactions with customers.

11.	**Contributed capital**		
	Contributed capital 1 July 2022	450.153	393.884
	Cash capital increase	0	56.269
		450.153	**450.153**

The share capital consists of nominal value DKK 119.916 A-shares, nominal DKK 164.733 B-shares and nominal DKK 165.504 C-shares

All amounts in DKK.

12. Contingencies (continued)

12. Contingencies

Joint taxation

With ASCENSION ApS, company reg. no 25348559 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

The annual report for COINIFY ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from the previous year, and the annual report is presented in DKK. The accounting period has been changed in the current financial year and comprises the period 1 July – 31 December 2022. The comparative figures in the income statement comprise the period 1 January 2021 – 30 June 2022.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including operating loss and conflict compensation. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation, amortisation, and writedown for the year and profit and loss on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects, patents, and licences

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement under depreciation.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories

Cryptocurrencies

Inventories including cryptocurrencies are measured at cost based on the FIFO method. If the net realisation value, i.e. the market price, of inventories is lower than the cost price, it shall be written down for impairment to this lower value.

Cost comprise the acquisition price, costs of directly attributable to the acquisition and preperation costs of the asset until the time when it is ready to be put into operation.

The net realisation value is calculated as a selling price, i.e. the market price less costs incurred to effectuate sales. The net realisation value is determined with due consideration to negotiability and developments in the expected selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

Prepaymentsrecognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Other payables primarily consists of payables to customers. Payables to customers are denominated in multiple currencies and translated into Danish kroner at the balance sheet date.