CHRISTENSEN KJÆRULFF
PERSONLIGT ENGAGEMENT

STATSAUTORISERET REVISIONSAKTIESELSKAB
ØSTBANEGADE 123
2100 KØBENHAVN Ø

CVR: 15 91 56 41
TLF: 33 30 15 15
E-MAIL: CK@CK.DK
WEB: WWW.CK.DK

coinify

ANNUAL REPORT

1 January - 31 December 2023

Coinify ApS
c/o ViaBill, Grønnegade 10, 1., 1107, København K
Company Reg. No. 35847995

The annual report was submitted and approved by the general meeting on the 14 May 2024.

Hans Henrik Hoffmeyer
Chairman of the meeting

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Notes to users of the English version of this document:

- 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 January - 31 December 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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, 14 May 2024

Managing Director

Rikke Birkegaard Stær
CEO

Board of directors

Hans Henrik Hoffmeyer Chairman	Christian Eichen	Katherine Rachel Kennedy

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 January - 31 December 2023, 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 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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.

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.

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 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.

INDEPENDENT AUDITOR'S REPORT

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

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, 14 May 2024

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 ViaBill Grønnegade 10, 1. 1107 København K
	Company reg. no. 35 84 79 95 Domicile: Copenhagen Financial year: 1 January - 31 December
BOARD OF DIRECTORS	Hans Henrik Hoffmeyer, Chairman Christian Eichen Katherine Rachel Kennedy
MANAGING DIRECTOR	Rikke Birkegaard Stær, CEO
AUDITORS	Christensen Kjæruluff Statsautoriseret Revisionsaktieselskab Øsbanegade 123 2100 København Ø
PARENT COMPANY	Marketcom Software LTD

MANAGEMENT'S REVIEW

Primary activities
Coinify's primary activities remain focused on two product offerings, as in previous financial years; Payment Services and On/Off ramp Services.

Payment Services focused on helping Payment Companies support an emerging need to conduct payments in Digital Currencies, and On/Off Ramp Services, for Retail Consumers, Family Offices and High Networth Individuals, looking to buy or sell Digital Currencies.

The Payment Strategy
For Payment Companies, who want to serve an emerging consumer payment need, Coinify stands out as the most reliable and trusted payment infrastructure Provider that aligns with the needs of compliance-conscious businesses. Coinify offers a tailored value proposition to Payment Companies worldwide.

Coinify is the first choice for any compliant, conscious company looking to accept cryptocurrency payments. Coinify is widely adopted in Europe and internationally by exclusively serving the World's largest Payment companies, and allows merchants to enable benchmark compliance and reliable method of accepting crypto payments.

Coinify has noticed a growing demand for our invoice service, which has prompted us to explore new markets outside of our current customer base. As a result, we have decided to open an office in the Middle East to better serve our existing clients and reach out to new ones. We are excited about the opportunities this move will bring and are committed to providing top-notch service to all of our customers.

As regulation is continuing to build up in the global markets of digital currencies Coinify stands out as the only choice for Payment Services Providers, Wallets and Exchanges as the industry is maturing to a advanced regulated framework.

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 acquisition of Coinify Aps by Marketcom Software Ltd.

Following the acquisition, management implemented measures to align the business and cost structure with the evolving market conditions while ensuring continuity in both payment operations and on/off ramp services.

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

MANAGEMENT’S REVIEW

Development in activities and financial matters

The financial year 2023 for Coinify concluded with -2.840.000 DKK for the 12 month period; driven largely by the change in strategy from the fact that Voyager entered into Chapter 11 and the 2022 management buy-out.

During 2023, Coinify focused on profitability. This was primarily driven by optimizing cost structures as well as driving new business opportunities forward. In 2023 Coinify launched a new product offering, Coinify+. This offering is tailored to HNIs and family offices with an appetite to buy or sell crypto currencies, within the ranges of 50.000 -1 mill EUR.

During 2023, Coinify was acquired by Marketcom Software Ltd. A diverse group with international focus on technology.

Events occurring after the end of the financial year

Following the closing of the previous financial year 2023 Coinify has been able to take advantage of the current crypto bull market. On/Off ramp as well as Coinify+ trades significantly increased in Q1 2024 with a record high amount in March 2024, increasing the gross profit further on a Quarter on Quarter basis.

The expectations for Q2 remain positive and high with a further increase in Coinify+ volume/revenue numbers as additional headcounts have been added to this team.

Overall we expect the positive sentiment for the market to remain throughout the year, and Coinify’s strategy will be to take short term advantage of the bull market in the on/off ramp market whilst driving more deals through in the Payment Services market.

INCOME STATEMENT

Note		1/1 - 31/12 2023	1/7 - 31/12 2022
	Gross profit	**24.013.845**	**5.019.886**
1	Staff costs	-23.064.616	-13.849.112
2	Depreciation, amortisation, and impairment	-29.107	-85.886
3	Other operating expenses	-3.032.381	0
	Operating profit	**-2.112.259**	**-8.915.112**
	Other financial income	74.858	128.890
4	Other financial expenses	-802.986	-465.885
	Pre-tax net profit or loss	**-2.840.387**	**-9.252.107**
	Tax on net profit or loss for the year	0	0
	Net profit or loss for the year	**-2.840.387**	**-9.252.107**
	Proposed distribution of net profit:		
	Allocated from retained earnings	-2.840.387	-9.252.107
	Total allocations and transfers	**-2.840.387**	**-9.252.107**

BALANCE SHEET AT 31 DECEMBER

All amounts in DKK.

Note	Assets	2023	2022
	Non-current assets		
5	Acquired concessions, patents, licenses, trademarks, and similar rights	5.430	10.853
	Total intangible assets	5.430	10.853
6	Other fixtures, fittings, tools and equipment	212.378	176.390
	Total property, plant, and equipment	212.378	176.390
7	Other receivables	103.486	59.128
	Total investments	103.486	59.128
	Total non-current assets	**321.294**	**246.371**
	Current assets		
	Manufactured goods and goods for resale	31.393.381	4.787.064
8	Total inventories	31.393.381	4.787.064
9	Other receivables	9.971.590	6.067.538
	Prepayments	571.162	1.963.902
	Total receivables	10.542.752	8.031.440
	Cash and cash equivalents	17.895.107	4.965.629
	Total current assets	**59.831.240**	**17.784.133**
	Total assets	**60.152.534**	**18.030.504**

BALANCE SHEET AT 31 DECEMBER

All amounts in DKK.

Note	Equity and liabilities	2023	2022
	Equity		
10	Contributed capital	450.153	450.153
	Share premium	86.811.328	86.811.328
	Retained earnings	-90.957.797	-88.117.440
	Total equity	**-3.696.316**	**-855.959**
	Liabilities other than provisions		
	Subordinate loan capital	21.390.439	0
	Total long term liabilities other than provisions	21.390.439	0
	Trade payables	354.821	1.135.313
	Payables to group enterprises	0	3.135.974
11	Other payables	42.103.590	14.615.176
	Total short term liabilities other than provisions	42.458.411	18.886.463
	Total liabilities other than provisions	**63.848.850**	**18.886.463**
	Total equity and liabilities	**60.152.534**	**18.030.504**

12 Contingencies

STATEMENT OF CHANGES IN EQUITY

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Total
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
Equity 1 July 2022	450.153	86.811.328	-88.117.440	-855.959
Retained earnings for the year	0	0	-2.840.357	-2.840.357
	450.153	**86.811.328**	**-90.957.797**	**-3.696.316**

NOTES

All amounts in DKK.

		1/1 - 31/12 2023	1/7 - 31/12 2022
1.	**Staff costs**		
	Salaries and wages	18.244.502	11.131.704
	Pension costs	1.488.003	622.740
	Other costs for social security	346.565	196.570
	Other staff costs	2.985.546	1.898.098
		23.064.616	**13.849.112**
	Average number of employees	28	40

NOTES

All amounts in DKK.

		1/1 - 31/12 2023	1/7 - 31/12 2022
2.	**Depreciation, amortisation, and impairment**		
	Amortisation of concessions, patents, and licences	5.423	5.423
	Depreciation of other fixtures and fittings, tools and equipment	23.684	80.463
		29.107	**85.886**

3. Other operating expenses

Other operating expenses consists of tDKK 3.032 exchange rate adjustments on the inventory of cryptocurrencies. The estimated exchange rate adjustments of cryptocurrencies is based on inventory levels in beginning of the financial year and end of financial year.

In the comparative figures 2022, “Other operating income” is presented under “Gross profit” i the P/L and consists of the same items as mentioned above. The amount constitutes a profit of tDKK 1.052.

		1/1 - 31/12 2023	1/7 - 31/12 2022
4.	**Other financial expenses**		
	Financial costs, group enterprises	700.623	221.728
	Other financial costs	102.363	244.157
		802.986	**465.885**

NOTES

All amounts in DKK.

		31/12 2023	31/12 2022
5.	**Acquired concessions, patents, licenses, trademarks, and similar rights**		
	Cost 1 January 2023	54.238	54.238
	Cost 31 December 2023	**54.238**	**54.238**
	Amortisation and write-down 1 January 2023	-43.385	-37.962
	Amortisation and depreciation for the year	-5.423	-5.423
	Amortisation and write-down 31 December 2023	**-48.808**	**-43.385**
	Carrying amount, 31 December 2023	**5.430**	**10.853**
6.	**Other fixtures, fittings, tools and equipment**		
	Cost 1 January 2023	903.303	884.506
	Additions during the year	59.672	18.797
	Cost 31 December 2023	**962.975**	**903.303**
	Depreciation and write-down 1 January 2023	-726.913	-646.450
	Amortisation and depreciation for the year	-23.684	-80.463
	Depreciation and write-down 31 December 2023	**-750.597**	**-726.913**
	Carrying amount, 31 December 2023	**212.378**	**176.390**
7.	**Other receivables**		
	Cost 1 January 2023	59.128	60.692
	Additions during the year	44.358	0
	Disposals during the year	0	-1.564
	Cost 31 December 2023	**103.486**	**59.128**
	Carrying amount, 31 December 2023	**103.486**	**59.128**
	Specified as below:		
	Deposits	103.486	59.128
		103.486	**59.128**

NOTES

All amounts in DKK.

	31/12 2023	31/12 2022

8. Total inventories

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.

9. 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.

10. Contributed capital

	31/12 2023	31/12 2022
Contributed capital 1 January 2023	450.153	450.153
	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.

NOTES

All amounts in DKK.

	31/12 2023	31/12 2022
11. Other payables		
VAT and duties	757.542	1.111.831
Wages and salaries, personal income taxes, social security costs, etc. payables	1.425.011	1.283.570
Other payables	39.921.038	12.219.778
	42.103.590	**14.615.176**

Other payables consist of primarily trade liabilities of 33.548 tDKK which is transactions pending for settlement and merchant liabilities of 6.032 tDKK which is settled transactions pending payout to the merchant partners. The remaining part of other costs payable is regular payables to operate the Company.

12. Contingencies

Contingent liabilities

	DKK in thousands
Total contingent liabilities	255

ACCOUNTING POLICIES

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 was changed in the financial year before last and, consequently, the comparative figures in the income statement comprise the period 1 July 2022 – 31 December 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.

ACCOUNTING POLICIES

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.

ACCOUNTING POLICIES

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 recognised 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.

Other operating expenses
Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise.

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.

ACCOUNTING POLICIES

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 write-down for impairment. Land is not subject to depreciation.

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

ACCOUNTING POLICIES

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 comprises 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 preparation costs of the asset until the time when it is ready to be put into operation.

ACCOUNTING POLICIES

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
Prepayments recognised 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.

ACCOUNTING POLICIES

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.