

SafePay ApS

Strandvejen 100, 2900 Hellerup

CVR no. 36 54 45 89

Annual report

for the year 1 January - 31 December 2020

Approved at the Company's annual general meeting on 21 May 2021

Chair of the meeting:

.....
Lars Kallestrup





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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of SafePay ApS for the financial year 1 January - 31 December 2020.

The annual report, which has not been audited, has been prepared in accordance with the provisions of the Danish Financial Statements Act. The Board of Directors and the Executive Board have considered the criteria for omission of audit to be met.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

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

We recommend that the annual report be approved at the annual general meeting.

Hellerup, 21 May 2021
Executive Board:

.....
Lars Kallestrup

Board of Directors:

.....
Mark Højgaard
Chair

.....
Lars Kallestrup

The general meeting has decided that the financial statements for the coming financial year will not be audited.

Independent auditor's report on the compilation of financial statements

To the general management of SafePay ApS

We have compiled the financial statements of SafePay ApS for the financial year 1 January - 31 December 2020 based on the Company's bookkeeping and other information provided.

The financial statements comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

We performed this compilation engagement in accordance with ISRS 4410 *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant ethical requirements in the Danish act on approved auditors and audit firms and FSR - Danish Auditors' code of ethics, including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 21 May 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Thomas Hjortkjær Petersen
State Authorised Public Accountant
mne33748

Management's review

Company details

Name	SafePay ApS
Address, Postal code, City	Strandvejen 100, 2900 Hellerup
CVR no.	36 54 45 89
Established	16 February 2015
Registered office	København
Financial year	1 January - 31 December
Board of Directors	Mark Højgaard, Chair Lars Kallestrup
Executive Board	Lars Kallestrup
Accountant	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management commentary

Business review

The objective of the company is to sell virtual and physical payment and loyalty cards in cooperation with international suppliers.

Unusual matters having affected the financial statements

Going concern

The parent company, Ascension ApS has declared that they guarantee to provide liquidity to the Company, if necessary to meet the current obligations.

Reference is made to note 2 for more details.

Financial review

The income statement for 2020 shows a loss of DKK 4,842,005 against a loss of DKK 2,328,029 last year, and the balance sheet at 31 December 2020 shows equity of DKK 2,843,835.

Management considers the Company's financial performance for the year below the expectations. The COVID-19 outbreak had a significant impact on several of our clients and some of our payment programs have been terminated - one termination is not related to the COVID-19 - The company are claiming a compensation of DKK 3.6 million which is expected to be received in 2021. None of these expectations are recognized in the balance sheet at 31 December 2020.

Events after the balance sheet date

In May 2021 in connection with the annual Assembly the company strengthened its capital base through a conversion of debt to equity of DKK 1,549,320 (debt amount per 31 December 2020).

During the first quarter of 2021, the company has generally realized results corresponding to Management's expectations. Apart from the above, no events of significant importance have taken place after the balance sheet date.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2020	2019
	Gross profit/ loss	-826,286	443,257
3	Staff costs	-2,106,266	-802,417
4	Amortisation of intangible assets	-2,928,509	-1,894,888
	Profit/ loss before net financials	-5,861,061	-2,254,048
	Income from investments in group enterprises	0	-4,417
	Financial income	39,626	22,575
	Financial expenses	-591,027	-621,141
	Profit/ loss before tax	-6,412,462	-2,857,031
5	Tax for the year	1,570,457	529,002
	Profit/ loss for the year	-4,842,005	-2,328,029
	Recommended appropriation of profit/ loss		
	Other statutory reserves	-368,577	4,766,750
	Retained earnings/ accumulated loss	-4,473,428	-7,094,779
		-4,842,005	-2,328,029

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2020	2019
	ASSETS		
	Fixed assets		
6	Intangible assets		
	Completed development projects	13,017,140	13,489,674
		<u>13,017,140</u>	<u>13,489,674</u>
	Total fixed assets	<u>13,017,140</u>	<u>13,489,674</u>
	Non-fixed assets		
	Trade receivables	624,284	1,033,095
	Corporation tax receivable	545,363	1,758,593
	Other receivables	312,077	664,289
	Deposita	0	54,000
		<u>1,481,724</u>	<u>3,509,977</u>
	Cash	<u>24,442</u>	<u>569</u>
	Total non-fixed assets	<u>1,506,166</u>	<u>3,510,546</u>
	TOTAL ASSETS	<u><u>14,523,306</u></u>	<u><u>17,000,220</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2020	2019
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	114,701	88,599
	Share premium account	12,540,781	3,571,401
	Reserve for development costs	10,153,369	10,521,946
	Retained earnings	-19,965,016	-15,491,588
	Total equity	2,843,835	-1,309,642
	Provisions		
	Deferred tax	1,660,237	2,690,379
	Total provisions	1,660,237	2,690,379
	Liabilities other than provisions		
8	Non-current liabilities other than provisions		
	Bank debt	0	3,060,000
	Other credit institutions	4,789,088	438,290
	Payables to shareholders and Management	500,000	0
	Other payables	0	19,865
		5,289,088	3,518,155
	Current liabilities other than provisions		
8	Short-term part of long-term liabilities other than provisions	820,652	0
	Trade payables	1,883,542	1,235,536
	Payables to shareholders and management	762,463	10,189,365
	Other payables	1,263,489	676,427
		4,730,146	12,101,328
		10,019,234	15,619,483
	TOTAL EQUITY AND LIABILITIES	14,523,306	17,000,220

- 1 Accounting policies
- 2 Going concern uncertainties
- 9 Contractual obligations and contingencies, etc.
- 10 Collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2020	88,599	3,571,401	10,521,946	-15,491,588	-1,309,642
Capital increase	26,102	8,969,380	0	0	8,995,482
Transfer through appropriation of loss	0	0	-368,577	-4,473,428	-4,842,005
Equity at 31 December 2020	114,701	12,540,781	10,153,369	-19,965,016	2,843,835

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of SafePay ApS for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Gross profit/ loss

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross profit/loss in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to sale and administration.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation

The item comprises amortisation of intangible assets.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Intangible assets	5 years
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Profit/loss from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Intangible assets are measured at cost.

Other intangible assets like licenses, acquired rights etc. are recognized at cost with deduction of accumulated depreciation.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually # years and cannot exceed # years.

Development costs and internally accumulated rights are recognised in the income statement as costs in the year of acquisition.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Investments in subsidiaries and associates

Equity investments in subsidiaries and associates are measured according to the equity method.

On initial recognition, equity investments in subsidiaries and associates are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying amount.

Equity investments in subsidiaries and associates measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Liabilities

Financial liabilities are recognized at amortised cost, which typically is corresponding to the capitalised value.

2 Going concern uncertainties

The parent company, Ascension ApS has declared that they guarantee to provide liquidity to the Company, if necessary to meet the current obligations.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2020	2019
3 Staff costs		
Wages/salaries	2,584,215	1,605,367
Other social security costs	192,051	-2,950
Capitalized staff costs	-670,000	-800,000
	<u>2,106,266</u>	<u>802,417</u>
Average number of full-time employees	<u>4</u>	<u>3</u>
4 Amortisation of intangible assets		
Amortisation of intangible assets	2,928,509	1,894,888
	<u>2,928,509</u>	<u>1,894,888</u>
5 Tax for the year		
Estimated tax charge for the year	-540,315	-1,674,128
Deferred tax adjustments in the year	-1,030,142	1,145,126
	<u>-1,570,457</u>	<u>-529,002</u>
6 Intangible assets		
DKK		Completed development projects
Cost at 1 January 2020		15,638,022
Additions		2,455,975
Cost at 31 December 2020		<u>18,093,997</u>
Impairment losses and amortisation at 1 January 2020		2,148,348
Amortisation for the year		2,928,509
Impairment losses and amortisation at 31 December 2020		<u>5,076,857</u>
Carrying amount at 31 December 2020		<u>13,017,140</u>
7 Investments		
Name	Domicile	Interest
Subsidiaries		
SafePay GTC ApS	Denmark	100.00%

Financial statements 1 January - 31 December

Notes to the financial statements

8 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2020	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Other credit institutions	5,609,740	820,652	4,789,088	648,365
Payables to shareholders and Management	500,000	0	500,000	500,000
	<u>6,109,740</u>	<u>820,652</u>	<u>5,289,088</u>	<u>1,148,365</u>

9 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its parent, Ascension ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes withholding taxes on interest, royalties and dividends falling due for payment

10 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2020.

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“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Lars Kallestrup

CFO

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Lars Kallestrup

Chair of the meeting

På vegne af: SafePay ApS

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NEM ID 

Lars Kallestrup

Board of Directors

På vegne af: SafePay ApS

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NEM ID 

Mark Højgaard

Chair

På vegne af: SafePay ApS

Serienummer: PID:9208-2002-2-918493874128

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NEM ID 

Thomas Hjortkjær Petersen

State Authorised Public Accountant

På vegne af: EY Godkendt Revisionspartnerselskab

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