

SafePay ApS

Tuborg Boulevard 12, 3., 2900 Hellerup

CVR no. 36 54 45 89

Annual report

for the year 1 January - 31 December 2019

Approved at the Company's annual general meeting on 31 August 2020

Chairman:



.....
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 2019.

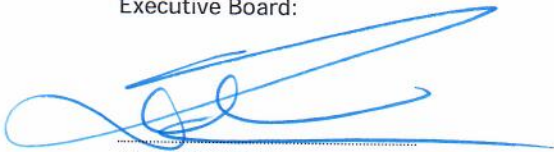
The annual report, which has not been audited, has been prepared in accordance with the provisions of the Danish Financial Statements Act. The Board of Directors and the Executive Board have considered the criteria for omission of audit to be met.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

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, 31 August 2020
Executive Board:




Lars Kallestrup

Board of Directors:



Mark Højgaard
Chairman



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 2019 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.

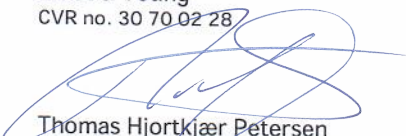
We performed this compilation engagement in accordance with ISRS 4410 *Compilation Engagements*.

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, 31 August 2020
Ernst & Young
CVR no. 30 70 02 28



Thomas Hjortkær Petersen
State Authorised Public Accountant
mne33748

Management's review

Company details

Name	SafePay ApS
Address, Postal code, City	Tuborg Boulevard 12, 3., 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, Chairman Lars Kallestrup
Executive Board	Lars Kallestrup
Accountant	Ernst & Young 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.

Financial review

The income statement for 2019 shows a loss of DKK 2,328,029 against a loss of DKK 1,005,962 last year, and the balance sheet at 31 December 2019 shows a negative equity of DKK 1,309,642. Management considers the Company's financial performance in the year in line with expectations.

The company has lost more than 50% of its share capital during the financial year 2019. The share capital has been reestablished through capital increases in the financial year 2020.

Events after the balance sheet date

The COVID-19 outbreak had a significant impact on the world economy in early 2020. The COVID-19 outbreak had a negative impact on the company's business processes, operations, and cashflow.

In March 2020, the company refinanced a loan of DKK 3.0 million with a settlement period of 3 years.

In August 2020 the company strengthened its capital base through conversion of debt to equity of DKK 7,098,064 at the Annual General Assembly, where this annual report will be approved, the capital base will be further strengthened with conversion of debt to equity of DKK 1,549,750.00 and a loan will be converted to a subordinated loan of DKK 500,000.00

During the first quarter of 2020, the company has generally realized results corresponding to 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	2019	2018
	Gross profit	443,257	1,332,582
3	Staff costs	-802,417	-1,246,738
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-1,894,888	-278,460
	Profit/loss before net financials	-2,254,048	-192,616
	Income from investments in group enterprises	-4,417	0
	Financial income	22,575	11,272
	Financial expenses	-621,141	-129,096
	Profit/loss before tax	-2,857,031	-310,440
4	Tax for the year	529,002	-695,522
	Profit/loss for the year	<u>-2,328,029</u>	<u>-1,005,962</u>
	Recommended appropriation of profit/loss		
	Other statutory reserves	4,766,750	2,850,910
	Retained earnings/accumulated loss	<u>-7,094,779</u>	<u>-3,856,872</u>
		<u>-2,328,029</u>	<u>-1,005,962</u>



Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2019	2018
	ASSETS		
	Fixed assets		
5	Intangible assets		
	Completed development projects	13,489,674	7,378,456
	Acquired intangible assets	0	12,500
		<u>13,489,674</u>	<u>7,390,956</u>
	Investments		
	Investments in group enterprises	0	50,000
		<u>0</u>	<u>50,000</u>
	Total fixed assets	<u>13,489,674</u>	<u>7,440,956</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	1,033,095	371,881
	Corporation tax receivable	1,758,593	1,668,889
	Other receivables	664,289	858,454
	Deposita	54,000	0
		<u>3,509,977</u>	<u>2,899,224</u>
	Cash	569	179,851
	Total non-fixed assets	<u>3,510,546</u>	<u>3,079,075</u>
	TOTAL ASSETS	<u>17,000,220</u>	<u>10,520,031</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2019	2018
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	88,599	88,599
	Share premium account	3,571,401	3,571,401
	Reserve for development costs	10,521,946	5,755,196
	Retained earnings	-15,491,588	-8,396,809
	Total equity	-1,309,642	1,018,387
	Provisions		
	Deferred tax	2,690,379	1,545,253
	Total provisions	2,690,379	1,545,253
	Liabilities other than provisions		
6	Non-current liabilities other than provisions		
	Mortgage debt	438,290	0
	Bank debt	3,060,000	0
	Other payables	19,865	0
		3,518,155	0
	Current liabilities other than provisions		
	Trade payables	1,235,536	2,628,078
	Payables to group enterprises	170,133	1,453,653
	Payables to shareholders and management	10,019,232	2,949,135
	Other payables	676,427	925,525
		12,101,328	7,956,391
	Total liabilities other than provisions	15,619,483	7,956,391
	TOTAL EQUITY AND LIABILITIES	17,000,220	10,520,031

- 1 Accounting policies
- 2 Capital resources
- 7 Contractual obligations and contingencies, etc.
- 8 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 2019	88,599	3,571,401	5,755,196	-8,396,809	1,018,387
Transfer through appropriation of loss	0	0	4,766,750	-7,094,779	-2,328,029
Equity at 31 December 2019	88,599	3,571,401	10,521,946	-15,491,588	-1,309,642

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of SafePay ApS for 2019 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.

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

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross profit 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/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

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.

The item includes dividend received from 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

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

On initial recognition, equity investments in subsidiaries 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.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

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 deduced from the carrying amount.

Equity investments in subsidiaries 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 dividends or cover losses. The reserve will be reduced or dissolved if the recognised development costs 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.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Capital resources

The company has lost more than 50% of its share capital during the financial year 2019. The share capital has been reestablished through capital increases in the financial year 2020.

DKK	2019	2018
3 Staff costs		
Wages/salaries	1,605,367	1,117,545
Other social security costs	-2,950	129,193
Capitalized staff costs	-800,000	0
	<u>802,417</u>	<u>1,246,738</u>
Average number of full-time employees	<u>3</u>	<u>1</u>
4 Tax for the year		
Estimated tax charge for the year	-1,674,128	-849,731
Deferred tax adjustments in the year	1,145,126	1,545,253
	<u>-529,002</u>	<u>695,522</u>

5 Intangible assets

DKK	Completed development projects	Acquired intangible assets	Total
Cost at 1 January 2019	7,644,416	25,000	7,669,416
Additions	7,993,606	0	7,993,606
Cost at 31 December 2019	<u>15,638,022</u>	<u>25,000</u>	<u>15,663,022</u>
Impairment losses and amortisation at 1 January 2019	265,960	12,500	278,460
Amortisation for the year	1,882,388	12,500	1,894,888
Impairment losses and amortisation at 31 December 2019	<u>2,148,348</u>	<u>25,000</u>	<u>2,173,348</u>
Carrying amount at 31 December 2019	<u>13,489,674</u>	<u>0</u>	<u>13,489,674</u>

6 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2019	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	438,290	0	438,290	0
Bank debt	3,060,000	0	3,060,000	0
Other payables	19,865	0	19,865	0
	<u>3,518,155</u>	<u>0</u>	<u>3,518,155</u>	<u>0</u>



Financial statements 1 January - 31 December

Notes to the financial statements

7 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

8 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2019.