

CMC development ApS

Home address: Rådhusvej 13, st., 2920 Charlottenlund

CVR-number 36 90 19 69

Annual Report 2023

Financial year: 1 January - 31 December 2023

Approved at the annual general meeting of shareholders on 26 June 2024

Casper Hallas
Chairman

Contents

Company information	1
Management's review	2
Managements' statement on the annual report	3
Independent auditors' report	4
Accounting policies	6
Income statement	10
Balance sheet	11
Equity statement	13
Notes to the annual accounts	14

Company information

The Company	CMC development ApS Rådhusvej 13, st. 2920 Charlottenlund Municipality of domicile: Gentofte
Executive board	Casper Hallas Mathias Marstal Hoffmann
Date of foundation	20 May 2015
Auditors	Aaen & Co. statsautoriserede revisorer p/s Kongevejen 3 3000 Helsingør
Financial Year	1 January – 31 December

Management's review

The Company's business review and principal activities

The Company's principal activities have been to manage trade and industry within information technology.

Significant changes in the company's activities and financial affairs

There have been no significant changes in the activities and financial position during the financial year.

The company's equity is lost. It's a Fintech company in rapid development, and it requires large amount of capital to grow, which is a significant factor. The company's opportunities to continue operations depend on financial support from the parent company CMC Finans ApS. As a result, CMC Finans ApS has declared that it will resign with receivables of DKK 23,165,819 and has stated that they will provide financial support until the company's share capital amounts to DKK 50,000.

The company is developing a platform for payment services and lead generation. In prior years the company has activated the development costs on a yearly basis. Due to the nature of development projects in 2023 it was decided to expense the 2023 costs (DKK 4,325,328) in the year which has resulted in a greater loss compared to prior years.

As stated in the notes to the annual accounts the company is subject to VAT claims brought by the Danish tax authorities. The amount claimed in relation to this event is summed up to at total of t.DKK 1,955 and is recognized in the income statement as it is more likely than not that it will put a strain on the company's resources.

The management disagrees with the Danish tax authority's decision of the current VAT claim and has initiated legal steps to appeal the decision. However there always remains a degree of uncertainty around these kinds of contingencies.

Management's Statement on the Annual Report

The Executive Board have today discussed and approved the Annual Report 2023 of CMC development ApS.

The Annual Report was prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual report gives a true and fair view of the Company's financial position at 31 December 2023 and the results of the Company's operations for the financial year 1 January - 31 December 2023.

In our opinion, the Management's review includes a fair review of the matters discussed in the Management review.

We recommend that the Annual Report will be approved at the annual general meeting.

Charlottenlund, 26 June 2024.

Executive Board

Casper Hallas

Mathias Marstal Hoffmann

Independent auditors' report

To the shareholders of CMC development ApS:

Opinion

We have audited the Financial Statements of CMC development ApS for the financial year 1 January – 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Company. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the Company's financial position 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 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements 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.

Emphasis of matters relating to the audit

Comparative figures are non-audited

With effect for the current financial year, the Company have voluntarily chosen to be subject to audit in accordance with International Standards on Auditing (ISAs). We must emphasize that the comparative figures in the annual accounts have not been audited, as also apparent from the annual accounts.

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 of accounting information 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:

Independent auditors' report

- 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.

Elsinore, 26 June 2024

Aaen & Co. statsautoriserede revisorer p/s

Kongevejen 3, 3000 Helsingør – CVR-nummer 33 24 17 63

Jesper Fenger Smidt
State Authorised Public Accountant
mne31476

Accounting Policies

Basis of accounting

The Annual Report of CMC development ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B. Management has chosen to follow certain rules from reporting class C.

The accounting policies applied by the company are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner.

Recognition and measurement

Revenues are recognized in the income statement as earned, which includes recognition of value adjustments of financial assets and liabilities. Furthermore, all expenses incurred, including depreciation, amortization and impairment losses, are recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortized cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortized cost is calculated as original cost less any deductions and with addition/deduction of the cumulative amortization of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report, which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment, are recognized in financial income and expenses in the income statement. If foreign exchange positions are considered hedging of future cash flows, the value adjustments are recognized directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. The difference between the exchange rate at the balance sheet date and the rate at the time of origin of the receivable or debt is recognized in financial income and expenses in the income statement.

Fixed assets purchased in foreign currencies are measured at the rate of exchange at the date of transaction.

Accounting Policies

Income Statement

Gross profit

With reference to section 32 of the Danish financial statements act, the items "Revenue", "Direct expenses", "Operating expenses" and "Other operating income" are consolidated into one item designated "Gross profit".

Net sales consist, among other things, of fees for loans delivered. Income from the rendering of services is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (percentage-of-completion method). Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Direct expenses include costs in the form of subscriptions directly linked to the business area.

Operating expenses include the year's expenses relating to the entity's core activities, including expenses relating to sale, advertising, administration, premises, bad debts, etc.

Other operating income

Other operating income include financial statement items of a secondary nature in relation to the primary activity of the enterprise, including profit from sale of fixed assets, salary refunds and salaries classified as development expenditure.

Employee expenses

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Research and development costs

Research and development costs comprise costs, salaries, and wages and depreciation directly or indirectly attributable to the company's research and development activities. Research costs are recognised in the income statement in the year incurred. Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. Furthermore, there must be a proven correlation between the costs incurred and future earnings. However, lack of official approvals, customer approvals, and other uncertainties will often imply that the requirements for recognition as assets are not met and that development costs are charged to the income statement as incurred.

Other operating expenses

Other operating expenses include financial statement items of a secondary nature in relation to the primary activity of the enterprise, including loss from sale of fixed assets, non-recurring legal proceedings and other contingencies.

Accounting Policies

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts relating to the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised exchange gains and losses concerning debt and transactions in foreign currencies as well as extra payments and repayment under the on-account taxation scheme.

Corporation 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 its parent company. CMC Finans ApS acts as a management company. The tax effect of the joint taxation with the parent company is distributed to both profit-making and loss-making companies in relation to taxable income (full allocation method).

Balance Sheet

Intangible assets

Completed development projects and development projects in progress are measured at cost price including accumulated depreciation. Completed development projects are amortized on a straight-line basis over the estimated economic useful life estimated at 8 years. The expected scrap value of completed development projects is 0%.

The cost of development projects includes costs, including salaries that can be directly and indirectly attributed to the development projects.

Property, plant and equipment

Leasehold improvements as well as other fixtures, fittings, tools and equipment are measured at cost price less accumulated depreciation and impairment losses.

The depreciation base is cost price less expected residual value after the end of useful life.

The cost price includes the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready for use.

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Leasehold improvements	5 - 10	Years	Residual value	0%
Fixtures, fittings, tools and equipment	3 - 8	Years	Residual value	0%

Expected useful lives of the assets are yearly evaluated.

Profit or loss on sale of tangible fixed assets are calculated as the difference between the sales price less selling costs and the carrying amount at the time of the sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Accounting Policies

Investments

Deposits, investments are measured at cost.

Receivables

Receivables are measured at amortized cost, which usually corresponds to the nominal value. Provisions are made for bad debts because of objective evidence that a receivable or a group of receivables are impaired. Write-downs are made to the lower of the net realizable value and the carrying amount. Investments comprise rent deposits, which is measured at cost.

Deferred income assets

Deferred income assets recognized as assets include costs incurred relating to the subsequent financial year.

Cash and cash equivalents

Cash and cash equivalents include bank deposits.

Corporation tax and deferred tax

The company is jointly taxed with its parent company CMC Finans ApS. Current tax liabilities and current tax receivable are calculated tax on the taxable income for the year adjusted for tax on previous years' taxable income as well as for taxes paid on account. Corporate income tax is recognized in the balance sheet under "Corporate income tax" or "Corporate income tax receivable".

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. In cases, of concerning shares, where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured based on the intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be either realized, by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Any deferred net tax assets are measured at net realizable value.

Deferred tax is measured based on the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to be crystallized as current tax.

Debt

Other liabilities are measured at net realisable value.

Income statement 1 January - 31 December

Note	2023	(non-audit) 2022
	DKK	DKK
Gross profit	1,442,012	670,561
1 Employee expense	2,870,823	2,557,838
Development expenditure	4,325,328	0
Depreciations	1,683,002	1,396,806
2 Other operating expenses	1,995,220	0
Profit (loss) from ordinary operating activities	-9,432,361	-3,284,083
3 Financial expenses	210,956	172,074
Profit before tax	-9,643,317	-3,456,157
4 Tax expense on ordinary activities	-97,548	-389,686
Profit for the year	-9,545,769	-3,066,471
Proposed distribution of results:		
Other statutory reserves	-1,295,656	1,788,802
Retained earnings	-8,250,113	-4,855,273
Profit for the year distributed	-9,545,769	-3,066,471

Balance sheet 31 December

Assets

Note	2023	(non-audit) 2022
	DKK	DKK
Completed development projects	8,409,716	10,070,814
Intangible assets	8,409,716	10,070,814
5 Leasehold improvements	0	19,834
6 Fixtures, fittings, tools and equipment	0	2,070
Property, plant and equipment	0	21,904
Deposits, investments	73,753	72,251
Long term Investments and receivables	73,753	72,251
Non-current assets	8,483,469	10,164,969
Other receivables	297,077	132,141
Deferred income assets	78,424	71,295
Short-term tax receivables	97,548	389,686
Receivables	473,049	593,122
Cash and cash equivalents	253,888	35,362
Current assets	726,937	628,484
Total assets	9,210,406	10,793,453

Balance sheet 31 December

Equity and liabilities

Note	2023	(non-audit) 2022
	DKK	DKK
Share capital	50,000	50,000
Reserve for development expenditure	6,095,284	7,390,940
Retained earnings	-23,976,079	-15,725,966
Equity	-17,830,795	-8,285,026
Other provisions	1,995,220	0
Provisions	1,995,220	0
Trade payables	688,455	529,011
Payables to group enterprises	24,105,222	18,383,541
Other payables	252,304	165,927
Short-term debt	25,045,981	19,078,479
Total debt	25,045,981	19,078,479
Total liabilities and equity	9,210,406	10,793,453

7 Disclosure of liabilities under off-balance sheet leases

8 Contingent liabilities

9 Disclosure of uncertainties relating to going concern

Equity statement

All amounts in DKK

	Share capital	Reserve for development expenditure	Retained earnings	Equity Total
(non-audit)				
Equity 1 January 2022	50,000	5,602,138	-10,870,693	-5,218,555
Dividends paid	0	0	0	0
Profit of the year	0	1,788,802	-4,855,273	-3,066,471
Equity 31 December 2022	50,000	7,390,940	-15,725,966	-8,285,026
Equity 1 January 2023	50,000	7,390,940	-15,725,966	-8,285,026
Dividends paid	0	0	0	0
Profit of the year	0	-1,295,656	-8,250,113	-9,545,769
Equity 31 December 2023	50,000	6,095,284	-23,976,079	-17,830,795

Notes to the annual accounts

	2023	(non-audit) 2022
	DKK	DKK
1 Employee expenses		
Wages/salaries	2,742,939	2,446,053
Pensions	101,649	100,702
Other social security costs	26,235	11,083
Employee expense total	2,870,823	2,557,838
Average number of employees	4	4
2 Special items		
<p>The company is subject to a contingency arising from VAT claims brought by the Danish tax authorities, which more likely than not will put a strain on the company's resources. The claimed amount is summed up to at total of t.DKK 1,955.</p> <p>The executive board categorise this as a non-recurring event due to the fact that the claim do not arise from the company's normal course of business operations. As such the charge is recognized under other operating expenses in the income statement</p>		
3 Financial expenses		
Interest expenses, group entities	209,882	150,323
Other financial expenses	1,074	21,751
	210,956	172,074
4 Tax expense on ordinary activities		
Tax on the taxable income of the year	-97,548	-389,686
	-97,548	-389,686

Notes to the annual accounts

	2023	(non-audit) 2022
	DKK	DKK
5 Leasehold improvements etc.		
Cost at 1 January	120,744	120,744
Additions in the year	0	0
Desposals in the year	0	0
Cost at 31 December	<u>120,744</u>	<u>120,744</u>
Impairment losses and depreciation at 1 January	100,910	76,761
Amortisation/depreciation in the year	19,834	24,149
Reversal of amortisation and impariment of disposals	0	0
Impairment losses and depreciation at 31 December	<u>120,744</u>	<u>100,910</u>
Carrying amout at 31 December	<u>0</u>	<u>19,834</u>
6 Fixtures, fittings, tools and equipment		
Cost at 1 January	33,303	33,303
Additions in the year	0	0
Desposals in the year	0	0
Cost at 31 December	<u>33,303</u>	<u>33,303</u>
Impairment losses and depreciation at 1 January	31,233	26,270
Amortisation/depreciation in the year	2,070	4,963
Reversal of amortisation and impariment of disposals	0	0
Impairment losses and depreciation at 31 December	<u>33,303</u>	<u>31,233</u>
Carrying amout at 31 December	<u>0</u>	<u>2,070</u>

Notes to the annual accounts

7 Disclosure of liabilities under off-balance sheet leases

The company has taken on a lease obligation concerning the lease of premises which can be terminated with three months' notice equivalent to DKK 70,750.

8 Contingent liabilities

The company is jointly taxed with the parent company CMC Finans ApS as a management company and with other Danish affiliated companies. The company is jointly and severally liable with other jointly taxed companies in the Group for the payment of withholding tax and corporation tax.

9 Disclosure of uncertainties relating to going concern

The company's equity is lost. The company's opportunities to continue operations depend on financial support from the parent company CMC Finans ApS. As a result, CMC Finans ApS has declared that it will resign with receivables of DKK 23,165,819 and has stated that they will provide financial support until the company's share capital amounts to DKK 50,000.

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

Casper Hallas

Navnet returneret af dansk MitID var:
Casper Hallas
Dirigent
ID: 77ec15c9-929a-4e99-9099-d5d32005a439
Tidspunkt for underskrift: 27-06-2024 kl.: 13:03:05
Underskrevet med MitID



Casper Hallas

Navnet returneret af dansk MitID var:
Casper Hallas
Direktør
ID: 77ec15c9-929a-4e99-9099-d5d32005a439
Tidspunkt for underskrift: 27-06-2024 kl.: 13:03:05
Underskrevet med MitID



Mathias Marstal Hoffmann

Navnet returneret af dansk MitID var:
Mathias Marstal Hoffmann
Direktør
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Tidspunkt for underskrift: 27-06-2024 kl.: 12:06:03
Underskrevet med MitID



Jesper Fenger Smidt

Navnet returneret af dansk MitID var:
Jesper Fenger Smidt
Revisor
ID: 99f3239f-b191-4f1c-8c7b-5c62a231658f
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